
**Public-private relationships:
an exploration of strategic
collaboration**

Public-private relationships: an exploration of strategic collaboration

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Abstract

The normative meaning of collaboration implies all things good, and many organisations claim that they are working collaboratively with others to achieve the attendant benefits. This thesis assesses ‘strategic’ collaboration in the Australian Government’s ICT outsourcing programme to explore the wider research topic on whether the public sector is seeking beneficial outcomes in its relationship with the private sector, above those obtained through traditional government procurement practices. Based on the limited study, the thesis concluded that strategic collaboration was being sought, at least as portrayed in the Australian Government ICT outsourcing environment, and on this basis, the findings support the wider position that the public sector is seeking benefits above those achieved through government procurement practices.

In this thesis, ‘organisational relationships’ are distinguished from the underlying ‘structural (contractual) arrangement’, and it is argued that all outcomes from organisational relationships are collaborative, varying in their achievement of ‘tactical’ through to ‘strategic’ outcomes. Traditional government procurement practices and principles such as competitive tendering and value for money, are only regarded as achieving tactical outcomes since they are procedurally based, and their scope and benefits are one-sided. The thesis analyses relationship outcomes using an empirically developed public-private relationship model, and against a benchmark of strategic collaboration, defined as a voluntary amalgamation of organisations for mutual opportunity creation.

The findings have implications for researchers on collaboration, and for the public and private sector practitioners who manage these relationships on a daily basis. Of most significance to both groups are the contributions of:

- a differentiation between an ‘organisational relationship’ and the underlying ‘structural arrangement’;
 - a description of the collaborative outcomes of organisational relationships, ranging from tactical to strategic;
 - an empirically developed public-private relationship model; and
-

-
- a generic relationship framework.

Researchers on collaboration will particularly benefit from the generic relationship framework developed in the thesis, as it provides a robust foundation from which to base research on collaboration in specific sectors—as this thesis did into collaboration in public-private ICT outsourcing. The framework departs from the traditional view of describing a relationship only at a high level, and instead, explores the detail of the ‘constructs of the relationship’. This is a more robust approach since the impact of individual elements of the relationship can be investigated, which leads to a more thorough understanding of the interaction between the organisations. The framework also establishes the notion of a two-dimensional model encompassing the relationship constructs, but also the relationship outcomes—recognising that collaboration is not a single outcome.

For those practitioners who manage the day-to-day public-private relationships in the Australian Government ICT outsourcing environment, this thesis provides practical guidance on an approach to progressing and managing the relationships. It informs the practitioners on seven specific areas of a relationship where focus is best directed. Furthermore, it also describes what the performance characteristics of the participating organisations would need to be, to meet particular levels of collaborative outcome.

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Last but not least, I am indebted to Doctor John Laver for the editorial advice that he provided. John’s tireless efforts and his thought-provoking approach were very much appreciated, particularly during the final stage of developing this thesis.

Certificate of Authorship of Thesis

Except where clearly acknowledged in footnotes, quotations and the bibliography, I certify that I am the sole author of the thesis submitted today titled:

Public-private relationships: an exploration of strategic collaboration

I further certify that to the best of my knowledge the thesis contains no material previously published or written by another person except where due reference is made in the text of the thesis.

The material in the thesis has not been the basis of an award of any other degree or diploma except where due reference is made in the text of the thesis.

The thesis complies with University requirements for a thesis as set out in:

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.....

(John) Rowan Macdonald

.....

Professor John Halligan

Date:

Dedication

This thesis is dedicated to my wife Joan, and our children Robert and Amy. Without their understanding, love, and support, this study would not have been possible.

... He either fears his fate too much,
Or his deserts are small,
That dares not put it to the touch,
To gain or lose it all.

excerpt from Montrose's Love Song
James Graham, 1st Marquis of Montrose, Scotland

Abbreviations and acronyms

ABC	Australian Broadcasting Corporation
AGIMO	Australian Government Information Management Office
ANAO	Australian National Audit Office
ASG	ASG IT services company
CCT	Compulsory Competitive Tendering
CTC	Competitive Tendering and Contracting
CPFR	Collaborative Planning, Forecasting and Replenishment
CSC	Computer Sciences Corporation
DOFD	Australian Department of Finance and Deregulation
EDI	electronic data interchange
EDS	Electronic Data Systems (now HP Enterprise Services)
HP	Hewlett Packard
HM	Her/His Majesty
IBM	International Business Machines Corporation
ICT	Information and Communications Technology
IOEs	Inter-organisational Entities
IORs	Inter-organisational Relationships
IMP	Industrial Marketing and Purchasing
IS	Information Systems
IT	Information Technology
ITMU	IT Management Unit
KAM	Key Account Management
KAZ	KAZ Computer Services (later acquired by Fujitsu Australia Ltd)
OECD	Organisation for Economic Co-operation and Development
OGIT	Australian Office of Government Information Technology (now AGIMO)
PFI	Public Finance Initiative
PPPs	Public Private Partnerships
NHS	National Health Service
NPM	New Public Management
R&D	Research and Development
ROI	Return on Investment
SCM	Supply Chain Management
SLAs	Service Level Agreements
TCE	Transaction Cost Economics
TPA	Traditional Public Administration
UK	United Kingdom
US	United States viz. USA
USA	United States of America
WIP	work in progress

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Chapter 1 – Beyond tactical outcomes: optimising public-private relationships

We labor [sic] under the enormous delusion that total reliance on a single supplier is the best way to assure satisfactory delivery of vital public services if the supplier is the government itself.

(Savas 1982, p.255)

We, the public, want more—forever more. But to get it, we want to pay less—forever less. And so, on our behalf, governments attempt to provide ever more expansive services, in an ever more cost efficient manner. As a result of this pressure on government expenditure—for governments of Western countries at least—there have been two notable policy directions. The first direction was that if a good or service was available in the private sector, then the government probably did not need to provide it—this was the so-called ‘Yellow Pages Test’ in Australia. Second, significant government procurement from the private sector must be obtained via competitive tender, with an emphasis on value for money.

The Australian public sector has moved on the first of these directions, where on the basis of a favourable internal business case to decide whether to outsource or not, and a competitive quotation, public sector non-core business—a philosophical construct meaning the service aspects that the public would not perceive as the ‘main’ or ‘essential’ activities to be undertaken by the public sector—will be outsourced to the private sector. With the second direction, the public sector has implemented the competitive tendering and value for money principles of the Commonwealth Procurement Guidelines. However, and impacting on both of these directions, some academics and practitioners observe and comment that the public sector should also be trying to add value in its procurement activities, through the establishment of collaborative relationships with the private sector, to improve the provision of public services and assist in optimising government expenditure.

This thesis argues that all organisational relationships create collaboration, but traditional government procurement practices, that is, the manner that the public engages with the private sector, only create ‘tactical’ collaboration since the outcomes sought from the relationships are procedurally based, and their scope and benefits are limited and focussed on benefitting the public sector. The academic and practitioner notion of added value through collaborative relationships is described in this thesis as ‘strategic’ collaboration. By strategic collaboration, this thesis means the achievement of outcomes that potentially have greater benefit, but may have longer gestation periods and require greater implementation skill. The research framework therefore, is that whilst tactical collaboration is being achieved in government procurement activities, commentators suggest that strategic collaboration should also be sought for its potential to provide beneficial outcomes.

Given the critical importance of this issue for the optimal use of tax-payer monies, this thesis assesses whether the public service is seeking strategic collaboration from its relationship with the private sector. Due to the global importance of the ICT industry generally, the growth of ICT expenditures in the public sector, and the potential for benefits to flow through to the provision of public services, this study specifically assesses strategic collaboration in public-private relationships of the Australian Government’s ICT outsourcing environment.

This introductory chapter describes the reasons why the topic was chosen, and gives an overview of the research, the methodology used, the research approach, the general findings, and the structure of the thesis.

The research

The research originated as a result of my long-term professional involvement with the development and management of procurement arrangements between the public and private sectors. My involvement in the public sector has included the establishment of whole-of-government agreements for use by all departments and agencies of the Australian Commonwealth Government, and State and Territory Governments. Over the past decade I have worked in the private sector, establishing, negotiating and managing major Information and Communications Technology (ICT) outsourcing

arrangements for a multi-national outsourcing provider. The statements by academics and practitioners that the public sector should also be trying to establish collaborative relationships with the private sector, resonate with my view that an outcome that provides additional benefits for both parties, could be achieved where discussions could move past their usual one-sided and often combative perspectives. Even though I have a personal passion for this topic, I have attempted to take a purely objective stance on the research, as the topic is far too important for this work not to be regarded critically, and for it not to augment the existing knowledge base.

Importance

As Wettenhall states in his article on public-private partnerships, ‘... it is impossible for any observer to do justice to it all, either to support the notion and the practice, to make criticisms, or simply to offer general comment’ (2003, p.77). Nevertheless, research on collaboration in public-private relationships has multiplied, and is likely to have a profound influence in public management. This research area is generating, ‘... an exciting, vibrant and growing body of knowledge that has deep significance for the future of public administration’ (Bingham and O’Leary 2006, p.161).

The research is important because, there is international evidence that there are benefits from public and private sectors adopting an integrated and more participatory approach (Jackson 2001, p.5). Central to the project is research on organisational relationships. Commentators on organisational alliances suggest that new opportunities are created when the relationship itself is managed, rather than management being focussed on ensuring that performance is as detailed in the contract (Kaplan et al. 2010, p.117).

The focus on the specifics of ICT outsourcing arrangements may assist in identifying potential areas of improvement, particularly strengthening the value provided to business units by ICT services, and in the development of policy on ICT outsourcing (Day 2007, pp.6-8; Bassellier and Benbasat 2004, p.674). Furthermore, Australian Government agencies delivering public services are seeking business-like efficiencies, and hence innovative relationship models to replace traditional approaches such as least-cost commodity style procurement, and centralised purchasing schemes, may also

emerge as an important strategy. The public service bureaucracy has over time been the focus of criticism for its mediocrity, and financial and organisational inefficiency (Jackson 2001, p.9). A new approach to managing ICT outsourcing relationships may assist in redressing this.

For Australian tax-payers, this is an important topic given the central role of government procurement in helping to optimise government expenditure. The private sector may also benefit from the study, through its relationship with the public sector becoming more productive.

Focus

The research could have been undertaken on a one-sided basis, and only considered the beneficial outcomes from strategic collaboration for the public sector. This approach aligns with the original academic and practitioner views, of only envisaging public sector outcomes. It may therefore have been appropriate at the time, although it overlooks the underlying tenor of working in partnership with industry to obtain the best outcome for both sectors (Hartley 2002, p.6). Indeed, this is a fundamental problem: significant outcomes such as this are located in the inter-organisational domain and cannot be tackled by any organisation working alone (Huxham 2000, p.338). Fair dealing and equity is also recognised (Smith Ring and Van de Ven 1994, pp.93-4) as important criteria for assessing a cooperative inter-organisational relationship. Thus, the research approach taken was to adopt a dyadic—meaning interaction between two parties—methodology where the need to seek strategic collaboration, was assessed on the basis that there was beneficial outcomes for government and the private sector.

An assessment of collaboration might be achieved through a relatively straightforward longitudinal study of the tendering conditions by the public sector, i.e. whether the public sector's tender specifications and contract conditions have changed over time to include a focus on strategic collaborative benefits with the private sector. However, this would not be an appropriate basis for the research since the tender and contractual view would not allow the exploration of operational factors such as the alignment of organisational competencies, and the understanding of the business objectives of the organisations,

factors noted in the literature as being important indicators of a focus on strategic outcomes (Entwistle and Martin 2005, p.234).

In summary, this thesis assesses whether strategic collaborative outcomes are being sought from public-private relationships in the Australian Government's ICT outsourcing environment. The significance of the thesis is that it will:

- add to the knowledge on collaboration between the public and the private sectors in government procurement;
- provide an empirically tested model for a public-private organisational relationship in the Australian Government's ICT outsourcing environment;
- add to the knowledge on the Australian Government's ICT outsourcing practices, specifically on the management of relationships with the private sector; and
- suggest principles that may improve ICT outsourcing outcomes.

The methodology

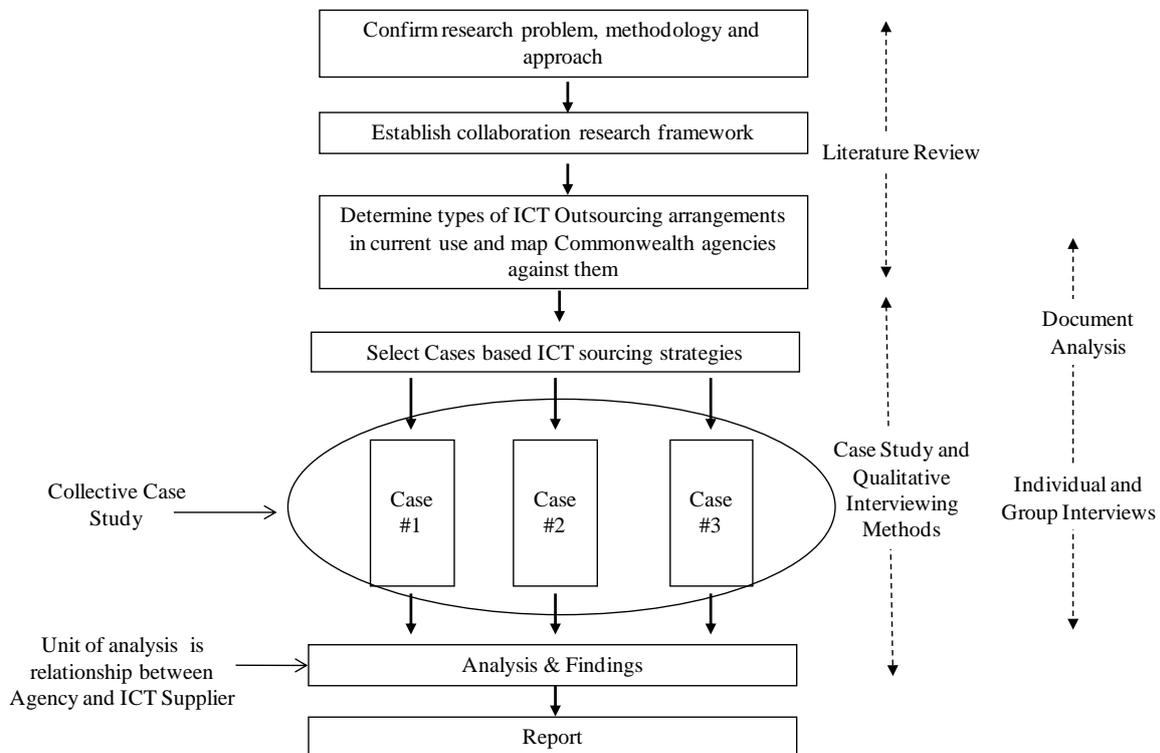
The research topic is whether the public sector is seeking benefits from its procurement relationship with the private sector that are additional to the benefits achieved through traditional government procurement practices. In other words and in the terminology of the thesis, is the public sector seeking strategic collaboration, or merely tactical collaboration. To address this topic, the thesis poses the research question on why the public sector is not establishing relationships with the private sector in the Australian Government's ICT outsourcing programme that would achieve strategic collaboration. The associated research questions are:

1. What are the defining constructs of an public-private relationship in the Australian Government's ICT outsourcing programme?
 2. What is collaboration, and specifically, what is strategic collaboration in public-private relationships?
 3. How can collaboration in public-private relationships be measured?
 4. What was the original, and principal outcome, sought from the private sector in the Australian Government's ICT outsourcing programme?
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5. How can the current outcome sought from the private sector, in the Australian Government's ICT outsourcing programme, be measured?

To consider the collaboration phenomenon broadly across the Government's ICT outsourcing environment, the research approach explores collaboration in outsourcing relationships at the agency level, and draws conclusions that are independent of agency specific factors such as the type of agency, outsourcer, or type of ICT outsourcing contractual arrangement. A qualitative research methodology was used employing a grounded approach of building theories through case studies, as the emphasis was on discovery and understanding. The overall research approach is illustrated at Figure 1.1.

Figure 1.1 – The research approach



The thesis explores collaboration through a framework of a public-private relationship, initially developed from the research literature. The relationship framework is a two-dimensional table comprising relationship constructs on the vertical axis, and relationship outcomes on the horizontal axis. This framework is tested and further developed through a series of individual interviews within the case studies, to ensure that it properly represents a public-private relationship in the Australian Government ICT outsourcing environment (that is, the circumstances and conditions surrounding the ICT outsourcing

programme). Group interviews are used in the cases studies to confirm the developed relationship model, and to situate an outcome that represents strategic collaboration for both sectors. Finally inter-case and intra-case analysis compared and contrasted the relationship models and interview dialogue, to establish a final relationship model and a view on collaboration that was consistent across all case studies.

A major consideration in the research was the selection of the government agencies for the case studies, to support the ability to generalise any findings within the Australian Government ICT outsourcing environment. This was done by selecting a government agency for each of the three types of ICT sourcing strategy identified by the Australian Government Information Management Office (AGIMO). Formal letters of a request to participate were sent to these government agencies, and after agreeing to participate, the agency assisted in the recruitment of the ICT private sector organisation. Prospective interviewees in the public and private sector organisations were selected using purposive sampling. The objective was to select interviewees that represented the organisation, and therefore address the unit of analysis which was the relationship between the organisations. Data validity was improved by the triangulation of data from document analysis, and the individual and group interviews. The interviewee's subjectivity was managed by following established 'good interview' techniques, and through the pre-qualification of interview questions using 'pilot' interviews with work colleagues.

The main findings

The topic that this thesis is researching, is whether the public sector is seeking benefits from its relationship with the private sector that are additional to the benefits achieved through traditional government procurement practices. To address this topic, the thesis poses the research question of why the public sector is not establishing relationships with the private sector in the Australian Government's ICT outsourcing programme that would achieve strategic collaboration. Based on the limited study, the thesis concluded that strategic collaboration was being sought, at least as portrayed in the Australian Government ICT outsourcing environment, and on this basis, the findings support the wider position that the public sector is seeking benefits above those achieved through traditional government procurement practices.

In assessing the research question, the major contribution of this thesis has been the establishment of a public-private relationship model (the Final Model) that identifies seven key areas of management focus for public-private relationships in the Australian Government ICT outsourcing programme. The key areas of focus are:

- Business focus and objectives—understanding the goals and objectives of the other party and commitment to achieving them.
- Interpersonal relationships—attitude of the people, working to achieve good relationships and the objectives of the relationship.
- Governance—maturity of the organisations in terms of their structure, operation, and processes.
- Leadership—obtaining drive, decisiveness, clarity, and consistency within and between the organisations, from the leadership team.
- Type of relationship—the nature of the organisations, and their resulting relationship in terms of maturity, and the purpose of the relationship.
- Integration of cultures and ease of doing business—the ability of the organisations to interact, assisted by open-minded people who use agile and flexible processes to overcome bureaucracy, and adapt to new requirements.
- Trust, reliability and integrity—the rapport and stability of the relationship that at its best is not impacted by incoming individuals.

Other findings of the thesis will also be of interest for researchers on collaboration, and for the public and private sector practitioners who manage these relationships on a daily basis. Researchers on collaboration will benefit from the generic relationship framework (the Initial Framework) developed in the thesis, as it provides a robust foundation from which to base research on collaboration. For the public and private sector practitioners who manage the day-to-day relationships in the Australian Government ICT outsourcing environment, this thesis provides practical guidance on an approach to progressing and managing the relationships.

The thesis structure

There are nine chapters, with supporting documentation in appendices:

Chapter 1. Provides the purpose of, and the background to, the thesis, and summarises the methodology, main findings, and specific contributions made by the thesis.

Chapter 2. Explores organisational relationships to explain why relationships are established and how they are structured, and explores the business reasoning behind a decision to outsource, with a focus on public sector ICT outsourcing.

Chapter 3. Prior research data on organisational relationships and the ICT outsourcing identified in Chapter 2 are drawn together in a discussion on collaboration within organisational relationships, and the outcomes sought from the private sector in the ICT outsourcing programme. Data from prior research is also collated so that a framework for an organisational relationship can be developed in Chapter 4.

Chapter 4. Details the methodology used for the research, setting out the data collection and analysis techniques. Importantly, this chapter also details the research question, objectives, and associated research questions, and develops the framework for an organisational relationship, on which the case studies are based.

Chapters 5-7. These three chapters present and analyse the data from each of the three case studies. Each of the chapters provides an analysis against the relationship framework developed from the literature.

Chapter 8. This chapter compares and contrasts the findings from the individual case studies of Chapters 5-7, and presents findings that are common across the case studies.

Chapter 9. The final chapter summarises the findings of the thesis, provides implications of the findings for practitioners and for research on collaboration, and provides recommendations on future research that may overcome the limitations of the thesis.

Chapter 2 – Organisational relationships, and outsourcing

Collaboration does not simply mean putting people together and expecting a better result. Collaboration is about structuring an arrangement for the joint provision of outputs and outcomes, and has substantial policy implications.

(Majumdar 2006, p.183)

Chapter 2 is the first of two chapters which set the scene for the thesis. Chapter 2 provides the background on organisational relationships and outsourcing. On the basis of this background, Chapter 3 provides a focussed discussion on collaboration in organisational relationships, and an examination of what was sought from the private sector in the Australian Government's ICT outsourcing programme.

Chapter 2 is structured to provide:

- The academic and practitioner argument that the public sector should be trying to add value—establish strategic collaboration—in its procurement activities.
- A discussion of organisational relationships - by describing 'organisational relationships' and 'structural arrangements', differentiating these two notions, and clarifying other terminology.
- A discussion of outsourcing - by detailing the generic aims and objectives of private and public sector outsourcing, with a final focus on the Australian Government's ICT Outsourcing programme.

The contribution of Chapter 2 to the thesis, is that it describes the objectives that organisations are trying to achieve, from having a relationship with another party. In doing this, the organisational relationship is distinguished from the structural (contractual) arrangement, therefore permitting a clearer understanding of the 'building blocks' of an organisational relationship. Organisational relationships were characterised as focussing on what each party hoped to gain from the relationship,

whereas structural arrangements were described as comprising what each organisation would contribute to the relationship. In this chapter, outcomes from organisational relationships were described as either control or collaboration, with an understanding that it is possible to create added value from the relationships themselves. The chapter also explains both the broad objectives that organisations are seeking from outsourcing partners, and more generally, the aims of the Australian Government's ICT outsourcing programme which were to reduce inefficiency, allow a focus on core tasks, and to increase access to wider skills and technology. There was varying agreement in the literature on whether these aims were actually achieved by the public sector, and also, whether they were achieved without any unintended consequences.

The literature review process of Chapters 2 and 3 involved an examination of numerous texts, refereed journal publications, conference proceedings, internet-sourced publications, and trade journals. The literature review identified key research groups, seminal authors, and forums holding knowledge germane to this thesis. The process and objectives of literature review and search process are further addressed at Appendix B.

As there is a divergence of terminology used within this broad research topic, for the purposes of this thesis, ICT is used synonymously with the terms Information Technology (IT) and Information Systems (IS). In addition, this thesis uses the term 'construct' in association with organisational relationships, referring to the 'building-blocks' or the factors that comprise an organisational relationship. There are also terms used in the Thesis such as 'value' and 'outcome sought'. The meaning of these and other terms is provided at Appendix A.

Strategic collaboration in government procurement

The premise of this thesis is that in addition to traditional 'tactical' outcomes sought from government procurement, such as achieved through competitive tendering, the public sector should also seek other 'strategic' outcomes from its relationship with the private sector. Five commentators who have discussed this premise are referenced below.

In a paper on whether the public sector can add value to the supply of public services, Jackson suggests that traditional thinking on governance between organisations is too

simplistic and consideration should be on, ‘... optimal complex network relationships that are based upon co-operation and participation rather than competition and control’ (2001, p.5). Jackson asserts that the public sector should be adding value by seeking more substantial benefits from co-operative and participative relationships, instead of outcomes merely available through traditional governance models based on the more coercive notions of competition and control.

In the area of defence acquisition, Hartley discusses the then-new United Kingdom (UK) Defence Industrial Policy. While noting that competition remains at the foundation of UK procurement policy, the Defence Industrial Policy states that in future the competitive process will not be used beyond the point where it can offer long-term advantages (2002, p.6). The policy suggests that working in partnership with industry is seen as a means of obtaining best value (meaning best short-term value for money, and long-term commitment) in defence acquisition. On a similar note, the United States (US) General Accounting Office (GAO) conducted a review into the sharing of lessons learnt from IT services outsourcing across the US Department of Defense. It concluded that a:

... challenge is creating a productive agency/provider relationship--another critical success factor in our framework ... such public-private partnerships are based on trust, commitment to problem or conflict resolution, and the recognition that flexibility is necessary and that the relationship will evolve and change over time. ... Both sides must recognize and understand each other’s underlying motives and strive to achieve established expectations (General Accounting Office 2003, p.11).

A 2006 discussion paper on the UK Government’s approach to public sector reform states that under competition and contestability, ‘The fostering of collaboration within a competitive framework can be important in improving public services’ (UK Prime Minister's Strategy Unit 2006, p.47).

Finally, Entwistle and Martin (2005, p.233) suggest that whilst the British Conservative Governments of the 1980s and 1990s focussed on competition and privatisation, the New Labour Government elected in 1997 emphasised the benefits of collaborative rather than competitive forms of procurement at local government level. They suggest that there has been a paradigm shift from seeking discipline and economy from market competition to using the market as a source of innovation and

improvement. Their recognition of the need to recognise and combine the different competencies of the sectors is particularly pertinent:

We indicate three avenues deserving of further investigation: the costs and benefits of high trust interorganizational relationships; the way in which partnerships combine the competencies of different sectors; and finally, the extent to which the new partnerships transform services and deliver improvement (Entwistle and Martin 2005, p.234).

The phenomenon of seeking better outcomes from organisational relationships is not restricted to the public sector. Kaplan et al. state, 'Originally used to outsource noncore parts of supply chains, alliances today are expected to generate a competitive advantage' (2010, p.115).

Whilst there is discourse espousing the need for the public sector to seek better outcomes from its use of the private sector, it appears that the outcome of seeking economy through market competition (least-cost pricing) remains as a high priority. The compulsory competitive tendering legislation in the UK, the European commission procurement directives, and the Australian IT procurement policy are all striving for competitive supply arrangements with the objective of the most cost-effective provider. These competitive supply arrangements are based on the principle of arm's length arrangements, with little information sharing between the contracted parties (Aulich and Hein 2005, p.36; Bound 2006, p.112-3; Parker and Hartley 1997, p.116). A report of the UK National Audit Office (2006, pp.2-3) on the re-tendering of IT outsourced services for HM Revenue and Customs also mainly focused on the competitive nature of the process and least-cost pricing outcome for the agency, without looking at any other substantial benefits that may have been possible from the relationship between the public and private sectors.

In summary, the contention by these academic and practitioner commentators is that the public sector should be seeking the more substantial benefits that come about from co-operative and participative relationships with the private sector, as well as outcomes sought through traditional governance models based on the more coercive notions of competition and control. The preferred outcome is characterised as where the competencies of both organisations are more effectively combined, with a better understanding of the business objectives of the organisations, to increase productivity.

Organisational relationships

This section provides background knowledge on organisational relationships, encompassing why and how organisations work together, and specifically, the interworking of the public and the private sectors. An objective is also to clarify terminology, and to differentiate between structural arrangements and organisational relationships. The section commences with a discussion on the governance of production in the private sector to establish an understanding of where public-private relationships fit within generic governance regimes.

The governance of production

Private sector organisations choose to structure themselves in a particular fashion, whether by having all required capability and capacity within their own entity, or whether by some other mechanism for sharing capacity and capability with another entity.

In 1848, John Stuart Mill theorised that there were benefits to production on a large versus small-scale. Mill drew on the earlier writings of Adam Smith, who suggested that there were advantages to be accrued from the specialisation of labour, arguing that the larger the enterprise, the more that labour could be divided and specialised, resulting in greater efficiencies:

From the importance of combination of labour, it is an obvious conclusion, that there are many cases in which production is made much more effective by being conducted on a large scale. Whenever it is essential to the greatest efficiency of labour that many labourers should combine, even though only in the way of Simple Co-operation, the scale of the enterprise must be such as to bring many labourers together, and the capital must be large enough to maintain them. Still more needful is this when the nature of the employment allows, and the extent of the possible market encourages, a considerable division of labour. The larger the enterprise, the farther the division of labour may be carried. This is one of the principal causes of large manufactories. Even when no additional subdivision of the work would follow an enlargement of the operations, there will be good economy in enlarging them to the point at which every person to whom it is convenient to assign a special occupation, will have full employment in that occupation (Mill 1848, Book I, Chap IX, Paragraph 1).

The 19th century is regarded as an era of a coalition between major companies and a lessening of competition. Clark described it as ‘a system of armed neutrality and of federations of giants’ (1887, p.47). In addition to taking advantage of economies of

scale, inter-working between major companies offered opportunities to secure suppliers and distribution channels. There was also consideration of why market competition seemed to have been suppressed and what factors might regenerate it (Giddings 1887, pp.65-6). In this era the economic view was that wealth through production was in terms of output of tangible goods, i.e. value was embedded in a physical good (Vargo and Lusch 2004, Table 1 p.3).

Ronald Coase theorised about how production was governed, arguing that the firm was a mechanism for reducing transaction costs (1937, pp.388-90), and dismissing the argument that the division of labour was a prime reason for the existence of the firm (1937, p.398). The heart of Coase's argument was the search for a theoretical definition of the firm (1937, p.387), which he saw as 'a theory of moving equilibrium' where there would be ongoing experimenting on whether an additional exchange transaction should be within an organisation, or with another firm (1937, pp.404-5). Coase's statement is important as it establishes what the then-current thinking was on the benefits of particular organisational arrangements. The view was that relationship decisions were limited purely to the commercial (cost) consideration of having the internal production capability and capacity, or for excess production to be passed to another company, i.e. companies were only seeking 'tactical' outcomes.

The first three-quarters of the 20th century saw a continuation of the dominant view that firms had sharp boundaries with a correspondingly rigid methodology for the governance of production (Baker et al. 2004, p.2). The firm was merely regarded as a production function where inputs were turned into outputs within the confines of technology, being mindful of the operating market and the most effective mechanisms for allocating resources (Williamson 1996, p.131; Helper et al. 2000, pp.443-4).

By the end of the 20th century there was recognition that the planned activities of the firm could not account for the ever changing requirements of buyers of goods and services, and that current thinking ignored inter-firm cooperation (Richardson 1972, pp.886-7 & p.95). Firms were looking at hybrid relationships as more the middle ground between the alternatives of hierarchy (internal capability and capacity) and market (obtaining capability and/or capacity from an external entity), to address the deficiencies of both alternatives (Wilson 1995, p.340). The new philosophy was that more efficient

business processes could be established through the open exchange of information, and this in turn would result in reduced production costs (Skjoett-Larsen et al. 2003, p.531). This thesis posits that this changed thinking is the essence of strategic collaboration in the private sector, where the firms are considering approaches such as integrated strategies, improved processes, shared authority and measures tied to team incentives. These approaches are drawn from the literature and outlined in a later section of this thesis titled, 'Collaboration as a continuum'. The motives and benefits sought by the private sector from collaboration, and as reported in the literature, are summarised by Bititci et al. (2004, p.255) and provided at Table 3.1.

The evolution of thinking on the governance of production over the last 40 years, and the movement between market and hierarchical strategies by the private sector, have a similarity with arguments between the two broad forms of purchasing arrangements by the public sector—adversarial competition and partnership sourcing (Parker and Hartley 1997, p.115; Galaskiewicz 1985, p.282; Jackson 2001, pp.6-7). Interestingly, the focus on the negative aspects of collusion from 20 or more years ago (specifically the anti-trust legislation in the USA that checked vertical integration) was replaced by a focus on the ability of firms to exploit their distinctive competencies and combine these with the competencies of other firms (Phillips et al. 2000; Richardson 1972, p.896).

In summary, in the early 20th century there was a focus on efficiency through mass production and the purely commercial aspects of organisational relationships—tactical outcomes, or as referred to in this thesis, tactical collaboration. In the 1970s the model of the firm having sharp boundaries broke down, and the focus changed to consider other more efficient business processes through for example, the open exchange of information. The private sector at least, had recognised that the traditional governance regimes were not capable of providing advantages needed to maintain competitiveness. It was recognised that more efficient business processes could be established through collaborative processes such as the open exchange of information, and the exploitation of individual competencies—referred to in this thesis as strategic collaboration.

Concepts and terms

Accepting that organisations work together for various business reasons, an understanding is required on how the relationship is constructed, and how relationship aspirations are agreed and managed. There is however a bewildering array of labels that apply to the grouping and inter-working of organisations. The labels include organisational relationships and structures, inter-organisational relations, strategic alliances, partnerships, joint ventures, consortiums, coalitions, and so on. A number of commentators (Huxham 2000, p.339; Lusthaus and Milton-Feasby 2006, pp.1-2; Mandell and Steelman 2003, p.198) make the point that even though some texts provide clear definitions, there is no consistency between them.

To assist in understanding the plethora of terms, this chapter distinguishes between an organisational relationship, and the structural (contractual) arrangement. Kaplan et al. explain this division in a practical setting:

An alliance usually gets defined from the start by service level agreements about what each side will contribute, not by what each side hopes to gain. The agreements focus on operational metrics rather than on strategic objectives (2010, p.117).

In other words, the structural arrangement describes what each party will contribute, with a focus on operational metrics, such as service levels, and the organisational relationship is what each party hopes to gain, having a focus on strategic objectives and outcomes. The organisational relationship requires the underlying structural arrangement for its existence, but not for its operation. This notion is illustrated in Figure 2.1.

Figure 2.1 – Organisational relationship and the structural arrangement



Another way of considering the structural arrangement is that it is the base agreement between the organisations that lists what each party will contribute. It might comprise statements of work to be done, details of resourcing, performance metrics, technology, a payment schedule, and even if necessary, a base set of terms that describes other defining business conditions, such as structural ownership, intellectual property,

liability and warranties. The structural agreement might be formally consummated by an executed contract or, as in the case of two public instrumentalities working together, remain a less formal undertaking. Common language for the structural arrangement encompasses terms such as strategic alliances, partnerships, joint ventures, consortiums, and coalitions (Joshi and Stump 1999, p.334; Moss Kanter 1994, p.98). Cropper et al. define the contractual (structural) arrangements as the Inter-Organisational Entities (IOEs) and describe them as ‘the manifestations of the existence of inter-organizational relationships’ (2008, p.4).

Descriptions on relationships are made more confusing when the same term is used to describe the structural arrangement and the organisational relationship. An example of this is the term ‘partnership’. Partnership is used in some cases to describe the contractual agreement, and it can also be used to describe the quality of the relationship between the two parties, effectively implying all things good. In this thesis, the term partnership is used only as a term for a structural arrangement. The term collaboration is similarly used in the literature in both settings. In this thesis, collaboration is used to describe the outcome sought—meaning the expected outcome from a planning perspective—by an organisational relationship and not as a term signifying the grouping of two organisations (the structural arrangement).

Structural arrangements

There is a variety of possible groupings of organisations in their quest for competitive advantage and market share. Table 2.1 presents thirteen basic types of structural arrangements identified by Todeva and Knoke (2005, pp.124-5). The arrangements vary between those that support pure market transactions, to hierarchical relationship where the entities essentially become integrated.

In the middle of Table 2.1 are ‘Strategic cooperative agreements’, also referred to by other commentators as ‘partnership agreements’, ‘joint action relationships’, ‘franchise arrangements’, ‘strategic partnerships’ or ‘hybrid arrangements’. These arrangements are variously characterised, but in general are stated as highly flexible and focussed, in being able to acquire information and develop new products and services over a short period. A major premise is that the partners are committed to each other and will

refrain from acting opportunistically (Noorderhaven 1994, p.20; Wilson 1995, pp.339-40; Joshi and Stump 1999, pp.334-5; Noorderhaven 1995, pp.43-6; Phillips et al. 2000, pp.24-5).

Table 2.1 – Types of structural arrangements

Type	Description
Hierarchical relations	One firm takes full control of the other's assets and coordinates actions.
Joint ventures	A jointly owned legal organisation formed that serves a limited purpose.
Equity investments	A majority or minority equity holding by one firm through a direct stock purchase of shares in another.
Cooperatives	A coalition of small enterprises that combine, coordinate, and manage their collective resources.
R&D consortia	Inter-firm agreements for research and development.
Strategic cooperative agreements	Contractual business networks with the partners collaborating over key strategic decisions and sharing responsibilities for performance outcomes.
Cartels	Large corporations colluding to constrain competition.
Franchising	The grade of the use of a brand-name identity with in a geographic area without control over pricing or marketing.
Licensing	The grant to use patented technologies or production processes in return for royalties.
Subcontractor networks	Interlinked firms were a subcontractor negotiates its supplier's long-term prices, production runs, and delivery schedules.
Industry-standard groups	Committees that seek of the member organisations agreements on the adoption of technical standards for manufacturing trade or lobbying.
Actions sets	Short lived organisational coalitions formed to influence public policy making.
Market relations	Arm's-length transactions between organisations co-ordinated only through the price mechanism.

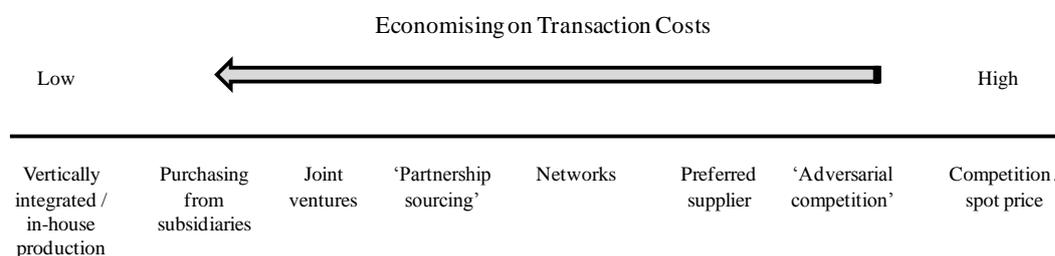
Source: Compiled and extracted from Todeva and Knoke (2005, pp.124-5)

On the basis of the types of structural arrangements listed in Table 2.1, it is instructive to speculate where 'IT outsourcing arrangements' fit. From the descriptions they may

take the form of any of the types between ‘Market relations’ and ‘Strategic cooperative agreements’.

Public Private Partnerships (PPPs) originate from the theoretical base on partnerships (Grimshaw et al. 2002, pp.482-3) and are discussed in a later section. Parker and Hartley (1997, pp.116-7) considered the structural arrangements as a continuum of ‘sourcing’ (procurement), with transaction economics as the basis of the continuum. Their continuum at **Error! Reference source not found.** shows the vertically integrated firm at the left-hand end—pricing plays no part here as this is internal resource allocation—and at the right-hand end, the competitive-market purchasing that exists in a normal consumer purchasing. They also make the point that many terms are misleading, such as the so-called partnership arrangements, since the purchaser often retains significant economic power over the supplier.

Figure 2.2 – The procurement continuum



Source: Adapted from Parker and Hartley (1997, Figure 1 p.117)

Error! Reference source not found. introduces the term ‘networks’, in the sense that they are another type of procurement (structural) arrangement. Networks are described by other commentators as being formal or informal structures that permit inter-organisational exchange, usually information sharing as distinct to complicated joint problem solving, and having no central authority or single organisational goal – they may contain hierarchical and market type mechanisms (Agranoff and McGuire 1999, pp.20-1; Sherer 2003, p.326; Agranoff 2006, p.56; Cigler 1999, p.88). Keast et al. expand on the meaning of the term by describing ‘network structures’. They differentiate the terms by stating that people must work actively together to solve a issue in network structures, whereas in networks people are only loosely linked (2004,

p.364). These descriptions of networks and network structures suggest that the terms are more appropriate as an organisational relationship rather than a structural arrangement.

Although they do not describe it as such, Parker and Hartley (1997, p.117) provide a useful example of the existence of the structural arrangement and the organisational relationship. They consider the purchase of a grocery item at a supermarket and describe it as an example of competition/spot prices with a transitory relationship between buyer and seller. The structural arrangement is what each party will contribute and in this case, comprises objective metrics such as the range of products, pricing, convenience, service quality, and customer spending. Over time the organisational relationship may develop based on relationship constructs and subjective metrics such as trust, satisfaction, added value (for example, free recipes), and knowledge of the other's needs. So in this example, even though the structural arrangement may be transitory and non-committal, a good organisational relationship may be established. The point is that even though the structural arrangement and organisational relationship may be inter-related, they are not inter-dependent, i.e. a beneficial outcome in an organisational relationship is not dependent on a particular type of underlying structural arrangement.

Based on work by other researchers, Davis lists ten common contract norms (Table 2.2) which he states, provide a powerful framework for analysing contractual relationships. He says that the norms give rise to a continuum of contract types that range from transactional to relational (Davis 2007, p.386).

Table 2.2 – Ten common contract norms

Norm	Definition
Reciprocity.	Understanding of the mutual nature of the benefits that accrue from a contract.
Contractual solidarity.	Requires the imaginary projection by each actor of reciprocal needs into the future.
Role integrity.	Actors consciously stabilize behaviours in order to build certainty in the other.
Implementation of planning.	Parties jointly manage future uncertainty through agreed mechanisms.
Effectuation of consent.	Parties readily acquiesce in the restraints imposed by agreements entered into and can be relied on to do so.
Flexibility.	Acknowledging the limits of planning and the dangers of rigidity.
Limited freedom of exercise of choice.	Self-imposed disciplines, recognizing the limits to latitude that the present imposes on the future.
Acknowledgement of power.	Mutual commitment to 'workable' outcomes based on the ubiquity of power in contractual relations.
A propriety of means.	Shared values impose limits on acceptable forms of conduct
Harmonization within the social matrix.	Requires parties to align conduct with broader social ethics

Source: Davis (2007, p.386)

It is instructive to link Table 2.2 to the description of a 'structural arrangement' used in this thesis – being that, a structural arrangement describes what each party will contribute. The contract norms are written in a manner that emphasises that they are principles that each party would be expected to comply with – in other words, what each party will contribute. In addition, it is observed that several norms may work in conflict. The norm of 'flexibility' where the principle is that the parties would recognise the limitations of a pre-planned relationship, and accept that the contractual relationship would need to adapt to changing conditions over time, may be in conflict with the norm of 'consent', which binds the parties to the particulars of the agreement.

Relationality, or relational contracting, is an increasingly researched concept within structural arrangements (contracts), on the basis of arguments that classical contract doctrine is becoming increasingly outmoded (Vincent-Jones 2000, p.317; Baker et al. 2002, p.40). Davis states: 'Relationality concerns the processes of social exchange within contracts. It is deemed, in certain circumstances, to contribute to operational effectiveness' (2007, p.384).

The suggestion is that ‘relational contracts’ have the ability to provide flexibility through the parties being able to adapt the arrangement over the contract term, as new information becomes available (Baker et al. 2002, p.40). But whilst there has been recent advances in the regulation of ‘market’ contracts, there has been less progress on ‘hybrid’ contracts, particularly those involving public and private relations (Vincent-Jones 2000, p.319). Noting the probity and procurement obligations and objectives of government, a difficulty for the public sector may be that: ‘... relational contracts cannot be enforced by a third party and so must be self-enforcing: the value of the future relationship must be sufficiently large that neither party wishes to renege’ (Baker et al. 2002, p.40).

In line with the need for adaptability and flexibility within structural arrangements, research by Davis (2007) tested the applicability of three principal benchmarks on the operation of contracts. The benchmarks were:

- ‘performativity’ – did the contract create added value for the stakeholders;
- ‘flexibility’ – permits adaptability over time (also described as ‘responsiveness’ (Vincent-Jones 2000, pp.332-3)); and
- ‘relationability’ – allows social exchange between the parties.

The findings of Davis’s limited case study of a English Local Authority were inconclusive on a causal link between contract performance and ‘performativity’ and ‘flexibility’, but did show that ‘relationability’ permitted the parties to deepen their mutual understanding of their objectives (Davis 2007, pp.400-2).

In summary, ongoing research on relational contracts, particularly in the ability to provide adaptability and flexibility within structural arrangements, will be important in understanding any impact on the associated organisational relationship. There would also need to be consideration on whether relational contracts are applicable to public-private arrangements, in them being able to meet wider government objectives.

Organisational relationships

This section discusses the theoretical considerations of organisational relationships, then views the relationship through a marketing lens, and finally considers the organisational relationship as a supply chain.

As distinct to the underlying structural arrangement which describes what each party will contribute, the organisational relationship focuses on what the parties hope to achieve. There are various other terms for an organisational relationship used in scholarly papers—Mandell and Steelman employ the term ‘organisational innovations’ (2003, p.202), and Agranoff uses the term ‘network’ (2006, p.56). Whatever the terminology though, organisations work together to achieve an objective that surpasses the capacity, cost efficiency, or capability of either one of them in isolation (Vangen and Huxham 2006, p.3; Hemphill 2003, p.93; Coulson-Thomas 2005, p.179; Mandell and Steelman 2003, p.202; Keast and Mandell 2009, pp.1-2; Lusthaus and Milton-Feasby 2006, p.1). Ring and Van de Ven state that cooperative inter-organisational relationships, ‘... are socially contrived mechanisms for collective action, which are continually shaped and restructured by actions and symbolic interpretations of the parties involved’ (1994, p.96).

These definitions suggest that an organisational relationship is an environment created by the parties where matters of the relationship can be explored constructively, with an objective of achieving an outcome not possible by either one of them individually. The environment it appears, needs ongoing effort by the organisations to be sustained.

Theoretical considerations

Organisational theory and governance structures are strongly influenced by goals such as maximising owner wealth and reducing potential exchange problems. Governance theories often discussed in the literature are institutional theory, agency theory, stewardship theory, and stakeholder theory. In addition there are a number of conceptual frameworks used by researchers to explain the practice and degree of success in outsourcing. Among these concepts are: core competencies, transaction cost theory, neoclassical economic theory, contract theory, agency theory, resource-dependency theory, rational exchange theory, stakeholder theory, and social exchange theory.

The question for this thesis was: which of these numerous theoretical frameworks is most appropriate for research on organisational relationships, specifically in the ICT outsourcing environment? The traditional and dominant answers of commentators in

management and governance research are: agency theory, and stewardship theory (Davis et al. 1997, p.20). Sundaramurthy and Lewis conveniently consider the approaches to governance under these two theories within what they describe as the contrasting regimes of 'control' and 'collaboration' (2003 p.398). Their work and that of Davis et al. (1997, p.37) from which it is based, is compiled at Table 2.3.

Table 2.3 – Theoretical basis of control and collaboration

	Control	Collaboration
Theoretical basis	Agency theory	Stewardship theory
Human tendencies	Opportunistic, self-serving and individualistic	Cooperation, self-actualising and collectivist
Motivation	Low-order needs such as economic and security	High-order needs such as growth and achievement
How to identify	Low-value commitment	High-value commitment
Relationship	Conflict of goals and distrust	Goal alignment and trust
Power	Legitimate, coercive and reward based	Expert and referent
Management	Control oriented	Involvement oriented
Risk orientation	Control	Trust
Time frame	Short-term	Long-term
Objective	Cost control	Performance enhancement

Source: Developed from Davis et al. (1997, p.37) and Sundaramurthy and Lewis (2003 p.398)

Although relationship outcomes are fully explained in the literature review of Chapter 3, it is useful at this stage to link the theoretical descriptions in Table 2.3, to the work of a number of commentators on relationship outcomes. Cigler (1999, p.89) describes an outcome termed collaboration, which she states reflects the strong participant linkages, mutual benefits, and specific, complex and often long term purpose. Thompson and Sanders (1998, pp.74-6) similarly agree on the term collaboration with similar characteristics, however they include an outcome type termed competition which they suggest is the absence of a relationship, characterised by having no

common objectives, a coercive environment and a short term focus. Phillips et al. (2000, p.24) likewise conclude that market based (buyer-supplier) arrangements that focus on pricing mechanisms are excluded from collaborative arrangements.

However, the view that competition and collaboration cannot co-exist is not consistent across the literature. Wolfram Cox et al. (1997, pp.288-9) suggest that there are situations, such as competitive benchmarking, where competition and collaboration are increasingly coexistent. Whilst this notion may appear at odds to the views of the previous commentators, it fits within the context of achieving collaboration within a competitive framework, albeit only tactical collaboration, and being able to achieve strategic collaboration outside the competitive framework.

The relationship attributes listed by these commentators support and enhance the theoretical basis of control and collaboration listed in Table 2.3, and present a generic description for relationship outcomes. The generic term 'collaboration' (strategic collaboration) to describe outcomes having mutual, high value and long term benefits, and 'control' (tactical collaboration), characterised as being low value, short term, and self-serving. In this thesis that is taking a dyadic approach, 'control' was seen as a better representation than 'competition' for an individualistic or opportunistic outcome that either the public or the private sector might take.

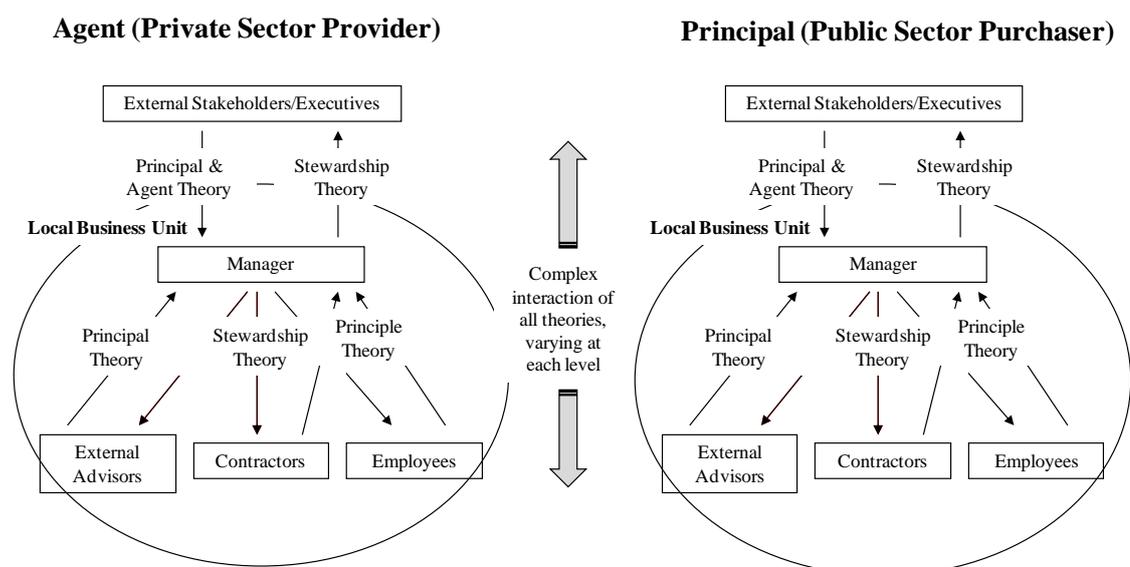
In their review of the literature, Kern and Willcocks (2002, p.4) found that an economic view and a partnering view were the two most prevailing perspectives underlying research into organisational relationships in outsourcing. The economic view is based on theories such as transaction cost economics and agency theory, and looks at the total costs of providing services as to whether this would favour outsourcing or retaining in-house. The partnering view looks at how the organisations will formulate and implement strategies to accomplish their desired performance goals. Theories used here would include resource-based theory and resource-dependency theory.

In reflecting the growing recognition of the customer-vendor relationship—the evolution of research to a focus on 'partnerships' is shown at Figure 2.9—Lee et al. (2000, pp.4-5) add a social dynamic to the economic and partnering view which they suggest comprises power/politic theory and social exchange theory. These theories and the social dynamic

view are important for this thesis given the potential for influence on outcomes by the power and politics of government. Social exchange theory focuses on the interaction processes of trust and culture and again may have relevance in this thesis on outcomes from public-private organisational relationships. Other commentators describe the social view as a behavioural dynamic, originating from marketing where it focussed on communication, conflict resolution, and reputation.

The traditional focus by organisational researchers is on issues such as the risks that the parties are willing to assume, with a research outcome that there is acceptance of the agency rather than a more beneficial stewardship governance mechanism. Caldwell et al. (2006, pp.218-9) extend this classical approach with a view from the ethical perspective of the employees of an organisation – Principle Theory. It was felt that this more comprehensive perspective is more representative of the public sector outsourcing environment, given the strong ethos of the public sector. Figure 2.3 attempts to conceptualise how these multiple theories may be used in the complex public-private environment.

Figure 2.3 - Theoretical governance model



A further complexity is longitudinal change, with a number of commentators suggesting that the public sector's framework on outsourcing should account for the

fact that the relationship would change over time. Kishore et al. (2003, pp.88-90) described a model of four outsourcing relationships types that the relationship may transition through: 'Support', 'Alignment', 'Reliance', and 'Alliance'. Each of these relationships types required different styles of competencies and monitoring mechanisms. These ranged from a 'Support' relationship with low coordination and monitoring costs, to an 'Alignment' and 'Alliance' relationship requiring much more complex coordination and monitoring - noting that the authors describe a transition to an 'Alliance' relationship as a strategic movement (Kishore et al. 2003, p.91).

A marketing view of organisational relationships

A seminal paper on the evolving discipline of relationship marketing is by Vargo and Lusch (2004). Their thesis is that the traditional focus on goods having an embedded value, is moving in the 21st century to a service-centred model of exchange where the role of goods changes to being an intermediate product that is used in the value-creation process. Value (of outcomes) is perceived and determined by the customer on the basis of 'value in use', and 'wealth' is obtained through the application and exchange of specialised knowledge and skills (Vargo and Lusch 2004, pp.3-7). This forward thinking paper on the creation of value is of particular relevance to this thesis, since it supports the views of other commentators that the benefits of added value through least-cost purchasing and the economies of scale, are quickly being eroded (Hansen and Nohria 2004, p.30). In other words, least-cost purchasing strategies on goods and base services, does not add as much value as a strategy of employing these assets as the basis for high value-creation. This notion links closely to the concepts of tactical and strategic collaboration.

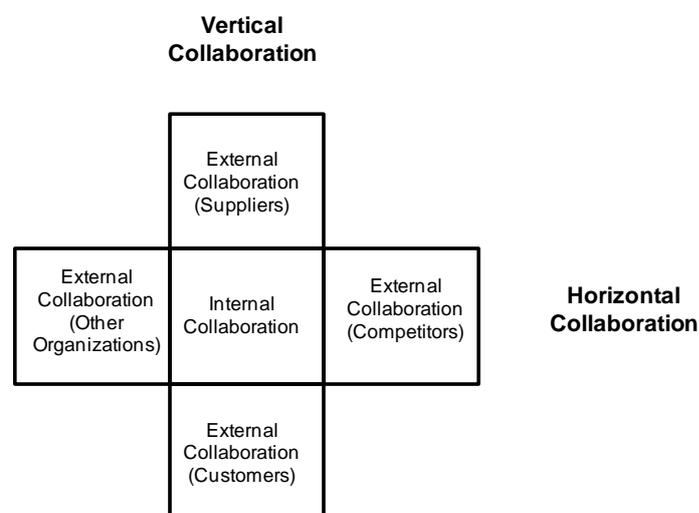
The language used by Vargo and Lusch (2004, p.7), particularly the use of the terms 'operand' (the item on which an operation is performed to produce an effect), and 'operant' (employed to act on the operand), are particularly instructive for the purposes of this thesis. Notably they describe customers moving from being an operand resource to becoming an operant resource as would be expected to be the case in a collaborative relationship. In an ICT outsourcing environment certain base services could also be regarded in the same manner as goods for the purposes of being operand resources.

Supply chain relationships

The intimate inter-working between firms in supply chain relationships is important because each participating company in a supply chain would normally work towards maximising its own benefits and, as a result, produce a sub-optimal overall outcome. Collaboration within the supply chain has the potential to optimise individual performance and the overall virtual enterprise performance (Bititci et al. 2004, p.258).

Although he refers to it as collaboration, in his work on supply chains, Barratt makes the point that there are a variety of forms of organisational relationships—horizontal and vertical—each having a different focus (Figure 2.4). The relationship with external suppliers is likely to be much more business-like as compared to the relationship with customers, which may be more conciliatory (2004, p.32).

Figure 2.4 – Forms of organisational relationships



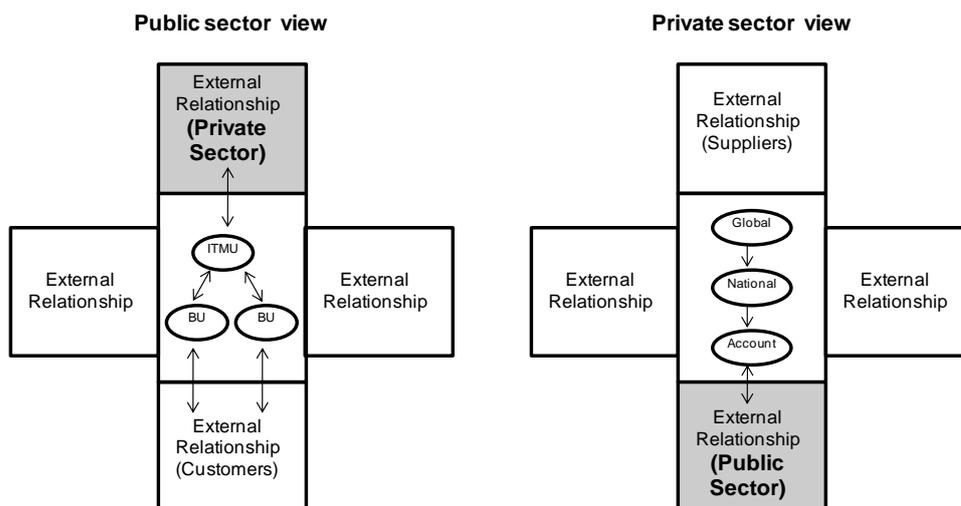
Source: Barratt (2004, p.32)

Importantly, Barratt recognised the need for good internal integration between the functional departments of an organisation, which would then be married to the external relationships (2004, p.33). In other words, the internal organisational relationships need to be working well to be able to take advantage of a good external relationship. This comment is particularly relevant for public sector ICT outsourcing where the public agency will usually have an IT management unit (ITMU) as the

interface with the private sector supplier. The inter-working between the ICT supplier, the ITMU, and the agency business units—the ultimate beneficiaries of the IT services—is not unlike a supply chain. The internal relationships between the ITMU and business units are an example of Barratt’s point, where the ICT supplier’s performance success may be reliant on the close internal working between the ITMU and the business units. Barratt’s view can also be applied to the private sector where there will be internal organisational relationship challenges between the local account that services the particular public sector client, national priorities, and possibly, the perspectives of the global company.

Developing Barratt’s framework of Figure 2.4 and considering the public-private (Customer-Supplier) views of the organisational relationship, Figure 2.5 illustrates the point that the parties will enter the relationship with different perspectives and have different internal organisational challenges. Complexity, and hence challenges of the relationship framework, are made worse as a result of the mix of informal and formal structural arrangements. The management challenge is to understand the complexity of the relationship framework, and to align the perspectives to stop either party resorting to the underlying structural arrangement.

Figure 2.5 – Perspective of relationship framework



Source: Developed for this study from Barratt (2004, p.32).

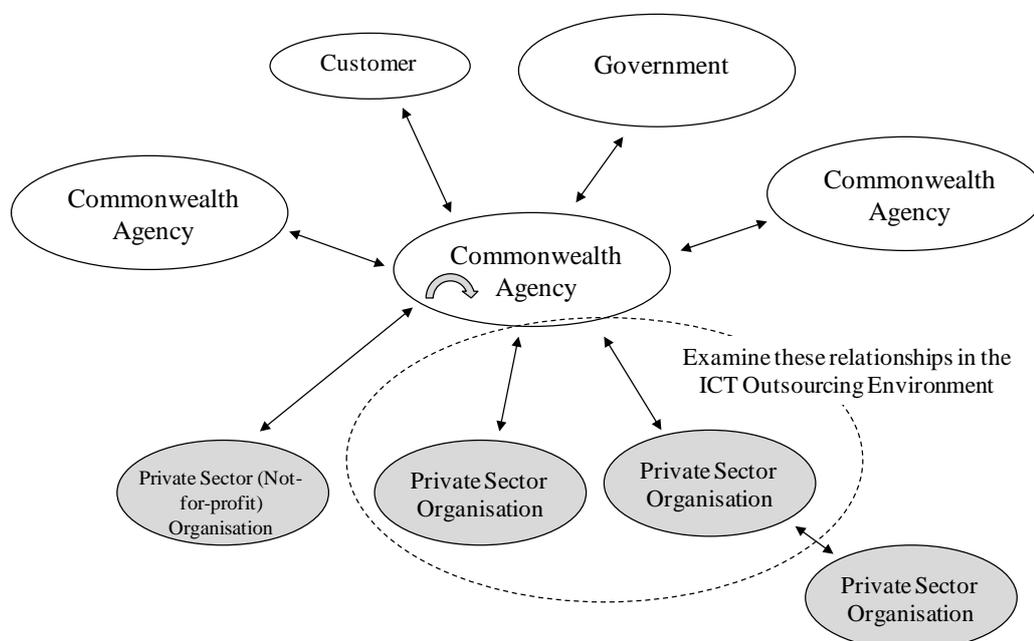
The mix of formal and informal structural arrangements between the internal and external participants that underlie the relationship framework—as illustrated in Figure

2.5—further illustrate the value of separately considering the organisational relationships from the structural arrangements. Whilst Figure 2.5 does not fully represent all interchanges between all parties—i.e. the external relationship links are not shown—it provides a sense to why some commentators refer to an organisational relationship as a network, or as network structures.

Barratt's research on the supply chain concluded that even though it had only emerged in the mid-1990s, supply chain collaboration may be stalling as an approach since it has proven difficult to implement. He states that there had been an over reliance on technology and a lack of the fundamental understanding of when and with whom to collaborate (2004, pp.33-8).

Whilst Figure 2.5 provides a theoretical view of a public-private relationship framework, Figure 2.6 illustrates a more practical view of the broad relationship environment for the public sector, including the focus of this thesis.

Figure 2.6 – Focus of the thesis within the public sector environment



Note particularly in Figure 2.6 that two limitations of this thesis are:

- the not-for-profit private sector is excluded, since the influence on the findings of the profit variable, is unknown; and

-
- sub-contracted private sector organisations are excluded as they have at best, an indirect relationship with the public sector.

In summary, researchers have described an organisational relationship as an environment created with the objective of achieving outcomes not otherwise possible. To be maintained, the relationship requires ongoing upkeep, an understanding of the perspectives that each party has, and to be underpinned by a well-functioning internal organisational structure.

Public Private Partnerships

An examination of organisational relationships between the public and the private sectors would not be complete without coverage of Public Private Partnerships (PPPs). The question is whether PPPs are specialised arrangements between the public and the private sectors that are additional to the structural arrangements previously identified, or just variations on the theme.

Within the considerable debate over that past two decades around poorly structured initiatives between the public and the private sector, has been the description of a governance regime that could be used in as varied situations as urban renewal, civil development, major infrastructure development—in fact, in any relationship that may require implementation, operation and finance of major facilities. This newly-described governance regime was called a Public Private Partnership (PPP) (Bovaird 2004; Grimshaw et al. 2002; Hodge 2004; Hodge and Greve 2007; Parker and Hartley 1997; Scharle 2002; Teisman and Klijn 2002; Wettenhall 2003).

Hodge defined a PPP as:

... the use of private finance arrangements, the use of highly complex contracts to provide the infrastructure of services, and the altered governance and accountability assumptions accompanying this ... [to] promise better efficiency in infrastructure provision, strengthened monitoring and accountability, along with stronger business and investor confidence. (2004, pp.37-8)

Hodge's definition is particularly noteworthy for this thesis. He identifies the 'structural arrangement'—the use of highly complex contracts to provide the infrastructure of services—and the separate 'organisational relationship'—the altered governance and accountability assumptions accompanying this.

The rhetoric was that PPPs had the potential to merge the strengths of both the public and the private sectors into an alliance, where value is added due to the relationship. Specifically, the private sector would bring along innovation, financial capacity, leading-edge technology, efficiency and entrepreneurialism, and this would be employed within the framework of social responsibility, environmental awareness and local knowledge of the public sector (Hodge 2004, p.38; Scharle 2002, p.228; Hodge and Greve 2007, p.545). Effectively, the relationship creates added value by bringing together the competencies of both sectors, achieving outcomes that neither sector could do in isolation—an example of what this thesis considers as strategic collaboration. Alliances within the PPPs were formed on a contractual basis, or by the creation of a new organisation.

A noteworthy interpretation was by the Centre for Technology in Government which described PPPs as public-private collaborations. They suggest that:

... these go beyond traditional contracting and outsourcing to include a more equal sharing of the resources, risks and benefits associated with project operations. In these cases, government hands over part of its management responsibilities while retaining enough control to ensure the protection of the public interest. (2004, p.4)

However, the literature is divided on the legitimacy of the rhetoric on the ‘ground-breaking’ nature of PPPs, with most commentators describing the financial success or otherwise of the arrangements. Hodge and Greve suggest for example, that the claim that private funding reduces pressure on public sector budgets and provides more infrastructure that is otherwise achievable, is largely false since a once-off capital expenditure for the public sector, has merely been replaced by smaller annualised expenditure (Hodge and Greve 2007, pp.548-50).

Teisman and Klijn comment that there seems to be a scarcity of projects set up jointly that were not actually contracting-out (outsourcing) arrangements, and even though there was intensified interaction, it did not flag a change from unilateral to joint decision making or continuity of cooperation as was displayed in joint ventures or alliances between the private sector (2002, pp.197-8). Hodge and Greve also quote Pollitt who states that Public Finance Initiative (PFI) projects—a type of PPP—are hypothetically available through conventional procurement, but the project may not

have been achieved without the learning and leverage of the PFI initiative (2007, p.550).

In summary it seems that the rhetoric on the benefits of PPPs is still the subject of ongoing debate. It also appears that PPPs are not a radical new form of governance as they were once described. However, PPPs describe characteristics—such as combining and leveraging competencies of both the public and the private sectors—which are central to this thesis on the creation of strategic collaboration.

Summary

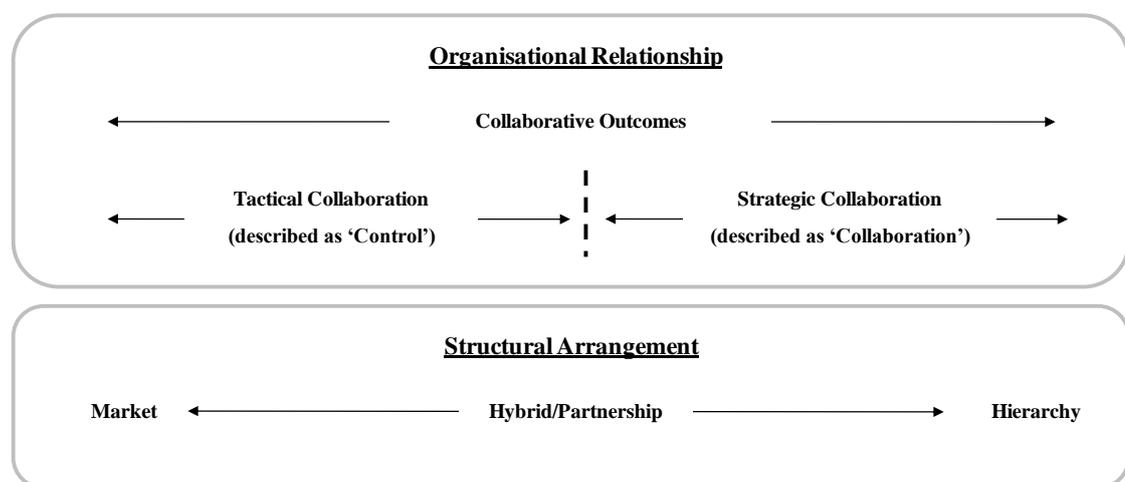
The purpose of this main section on organisational relationships was to discuss the governance aspects of inter-working organisations—specifically those between the public and private sectors—to establish the environment where collaboration can be discussed in the literature review at Chapter 3, and then assessed through the case studies. The section commenced with an overview of the traditional governance arguments on markets versus hierarchy. A framework was established that separated structural arrangements from organisational relationships as a means of describing and clarifying terminology. Structural arrangements were described as comprising what each organisation would contribute to the relationship, with a focus on operational metrics. Organisational relationships were characterised as focussing on what each party hoped to gain from the relationship, with attention to strategic objectives and outcomes. Outcomes from organisational relationships were described from a theoretical basis, as either control or collaboration—with the discussion on PPPs establishing the notion that it was possible to create added value from relationships themselves—strategic collaboration.

As a result of the description from the literature and for the purposes of this thesis, all outcomes from an ‘Organisational Relationship’ are regarded as collaborative, however, they are either:

- tactical outcomes—described as control in the theoretical texts; or
 - strategic outcomes—described as collaboration in the theoretical texts, but depicted in PPPs as added value created via the organisations focussing on joint business strategies.
-

A summary of the research context for collaborative outcomes within an organisation relationship is depicted in a framework, illustrated at Figure 2.7. This framework shows the 'Organisational Relationship' which is the topic of the thesis, situated separate to, but on top of, the 'Structural Arrangement'. Collaboration and the collaborative outcomes are located within the 'Organisational Relationship', comprising 'Tactical' and 'Strategic' Collaboration.

Figure 2.7 – Research context of organisational relationship outcomes



Outsourcing

This section is structured to provide a description and rationale for outsourcing, its theoretical underpinnings, matters relating to the private sector providing public services, and the Australian Government's ICT outsourcing programme. The aim of this section is to explain the background on outsourcing, so that the outcomes sought from public-private outsourcing relationships can be discussed at Chapter 3.

Description and rationale

There has been a plethora of information over the past two decades on the emergence of neo-liberal ideology, and its critique of the supposed monopolistic and bureaucratic inefficiencies within the public sector. The reforms proposed by the ideology, including privatisation and the outsourcing (contracting-out) of the provision of public

services, are well documented and are sometimes identified as a shift towards quasi-markets or government by contract (Ang and Straub 1998; Seddon et al. 2007; Argy 2001; Aulich and Hein 2005; Bahli and Rivard 2003; Barthelemy 2001; Hancox and Hackney 2000; Lee et al. 2004; Jensen and Stonecash 2004; Kern et al. 2002; Kishore et al. 2003; Verspaandonk 2001; Willcocks and Kern 2002). But there are a multitude of different arguments on the rationale for outsourcing. Savas for example argues that total dependence on a single supplier is dangerous, whether this be a government agency or a private sector supplier. He suggests that apart from the insurance of having more than one potential supplier, there are other benefits such as the separation of policy and delivery, and the liberation of citizens from the control of a single bureaucracy (1982, pp.134-5).

The traditional model of government as a comprehensive service provider has provided a basis for steady and progressive development which went hand in hand with economic growth. In many cases governments have been a monopoly, or near monopoly provider of utilities such as power and water supplies, of services such as health care, social welfare and education, and of transport infrastructure and services (Savas 1982, pp.20-2). Whilst this continued to be a model for service provision in some Organisation for Economic Co-operation and Development (OECD) countries, there was marked reform in others. The impetus for change came from many different sources, including the social, economic, and technological developments in the latter half of the 20th century, which put pressure on governments to adapt to new problems, new capacities, and new relationships between citizens and governments.

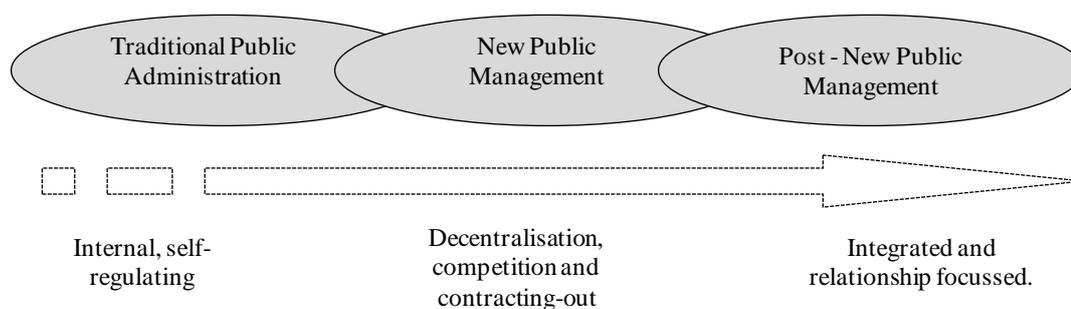
Since the 1980s there has been a particular focus on reducing the extent of non-core activities undertaken by the public sector, and introducing market principles in many areas of public policy and administration (Argy 2001, p.66; Edwards 2002, p.52). The evolution of the preferred system of delivery of public management is described by Kelly et al. (2002, p.10) as:

- Traditional Public Management – Hierarchical department or self-regulating profession;
 - New Public Management – Private sector or tightly defined arms-length public agency; and
-

- Public Value – Menu of alternatives selected pragmatically (public sector agencies, private companies, joint ventures, community interest companies, community groups as well as increasing role for user choice).

This evolution might be represented as at Figure 2.8. Essentially there has been a move from a self regulating profession within the hierarchal department structure in traditional public administration, through to an integrated and relationship focussed model, which this thesis refers to as ‘Post-New Public Management’. Kelly et al. refer to this part of the evolution as Public Value, and O’Flynn (2007, p.361) refers to it as ‘Public Value Management’, but given the ongoing research and debate on ‘public value’ that term is not used.

Figure 2.8 – The evolution of public administration



The reforms in public administration over the last three decades in Australia are described in a slightly different fashion by Argy (2001, p.66). Rather than an evolution of delivery of public administration, Argy called these internal public sector reforms and suggested that they had been focussed in the areas of managerial innovation, outsourcing, and private equity participation. Argy’s interpretation of the reform is useful in situating this research on the public sector seeking revised outcomes in its relationship with the private sector, in the IT outsourcing environment and within the overall evolution of delivery of public administration.

New Public Management

The model of [Traditional] Public Administration (TPA) was generally agreed to have been derived from the work of Max Weber, Woodrow Wilson, and Frederick Taylor. The model was characterised as an administration under political leadership, a strictly

hierarchical model of bureaucracy, permanent staffing by officials who served any governing party equally and administered, but did not develop policy (Hughes 2003, p.17). The end for TPA came as Hughes (2003, p.9) describes it, in the wide-ranging attacks on the public sector of the early 1980s. He states that the focus of the attacks was firstly that the public sector was simply too large, and secondly that it was involved in too many things. Lastly the mediocrity and inefficiency of the bureaucratic organisations was attacked. Jackson (2001, p.9) stated that the view of the general public toward the public service had reached a low, due to public sector's inability to deliver public services of the quality that was expected.

A key driver for reform was economic efficiency, however governments themselves also realised that the old traditional model was not working. It became fashionable to refer to public management because administration was associated with rules and part of the reform agenda was to reduce the specificity of rules (Matheson and Kwon 2003, p.42; Prefontaine et al. 2000, pp.4-6). There are wide ranging views of what characterised [New] Public Management (NPM). Hughes (2003, pp.54-60) described the NPM principles as:

- a strategic approach,
- a focus on results,
- improved financial management,
- flexibility in staffing and organisation,
- a shift to greater competition, and
- a stress on private sector styles of management practice.

The key elements of this NPM theory as applied to the public sector, was the disaggregation of large government departments into separate service delivery units (agencies), some being the principal (the purchaser) and others the agent (the provider), and the introduction of competition. There was also a consideration amongst those agencies responsible for the delivery of specific services, on whether the service needed to be provided by a public sector agency at all. The objectives being to untangle service provision, particularly from the provision of policy, and that smaller specialised agencies would provide better services and hence achieve greater customer

satisfaction (Bovaird 2006, pp.81-4; Boyne 2003, pp.211-4; Dunleavy et al. 2005, pp.468-71; Skelcher et al. 2005, pp.578-80).

Generic outsourcing

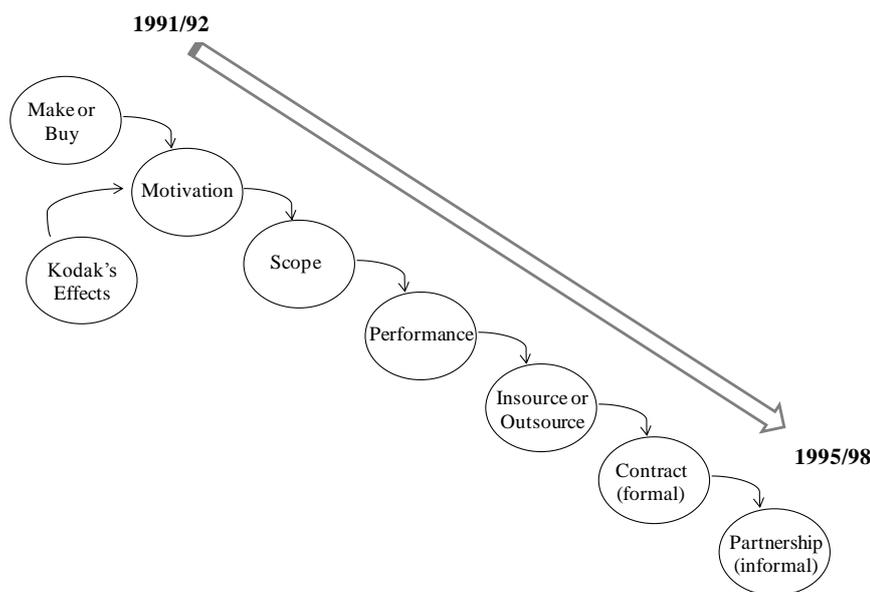
The classic view by many commentators was that outsourcing is legitimised as a make-or-buy decision on the basis of comparative cost advantages. Neoclassical economics regards any business organisation as a production function motivated by profit-maximisation (Ang and Straub 1998, p.537; Williamson 1996, p.131). Organisations provide goods and services to markets where they have cost advantages and rely on the marketplace for goods and services in which they have comparative cost disadvantages. Neoclassical economics predicts that firms justify sourcing options based on production economies (Williamson 1996, pp.131-2). Competition though, is not a defining feature of a market. McMillan (2002, pp.5-6) states that decision-making autonomy is key to the definition of markets, as participation in the exchange needs to be voluntary and able to be vetoed. So competition is usually present in a market and adds to the autonomy, but it is not a defining feature.

The cost-based business case to outsource cannot however be made solely on the basis of production costs. Transaction cost economics builds on the neoclassical economic perspective of business organisations by identifying the major part that transaction costs play within the total costs of the market (Ang and Straub 1998, p.537; Bakos and Brynjolfsson 1993, pp.39-40; Hancox and Hackney 2000, p.222; Williamson 1996, p.131). Transaction costs are described later but refer to the effort, time, and costs incurred in searching, creating, negotiating, monitoring, and enforcing a service contract between buyers and suppliers. Transaction costs can reduce the benefit of purchasing from the market versus internal production. However, there are other considerations and trade-offs. Transaction costs are impacted by the size of the market and even though ICT systems may be used to standardise interactions with the market and hence reduce transaction costs where there are many suppliers, including multi-sourcing strategies, customers also recognise the benefits of working more closely with a smaller number of suppliers (Bakos and Brynjolfsson 1993, pp.50-1; den Hengst and Sol 2001, p.132).

An extensive study of the outsourcing literature was conducted by Lee et al. (2000) on the trend on outsourcing research. The objective of this work was as a potential guide to future outsourcing research. The authors provided a perspective into how outsourcing research issues have evolved over time Figure 2.9.

Whilst the timeline of Figure 2.9 is not important, the figure provides a clear indication of the evolution of research issues from a make-or-buy decision, to research on managing the relationship with the service providers as a partnership (Lee et al. 2000, p.4). On the assumption that the evolution of outsourcing research also matches to some extent, the evolution of the objectives of purchasers of outsourced services, the purchasers should also have evolved from seeking outcomes that are only financially or performance based.

Figure 2.9 – Evolution of research issues on outsourcing



Source: Adapted for this study from Lee et al. (2000, p.4).

Public sector outsourcing

Outsourcing by the public sector is not a recent phenomenon. In 1872 US lawmakers granted the Bureau of Internal Revenue (BIR) authority to 'employ not more than three persons to assist the proper officers of the Government in discovering and collecting any money belonging to the United States' (Thorndike 2004). This short-lived foray into outsourcing came to an abrupt end in 1874 when a Congressional Committee

determined that the system of private collection was beyond redemption due to a number of improper practices and poor administration by Treasury Officials of the outsourcing. Nevertheless it was an introduction to the public sector of a now established private sector management philosophy. There are other notable examples: Hodge and Greve quote tax collecting in biblical times, and the Admiralty's use of contracted vessels against the Spanish Armada in 1588 (2007, p.545).

In 1966, the US Office of Management and Budget (OMB) issued Circular A-76 in an effort to improve the quality of government services and to reduce expenditure. A-76 defined the formal process whereby US federal agencies were required to compete for the provision of goods and services with the private sector. The legitimacy of outsourcing is demonstrated by the fact that Circular A-76 remains in place some 40 years later. The most recent version states:

The longstanding policy of the federal government has been to rely on the private sector for needed commercial services. To ensure that the American people receive maximum value for their tax dollars, commercial activities should be subject to the forces of competition. (Office of Management and Budget 2003, p.1)

A-76 requires agencies to categorise their activities as either inherently governmental activity, or commercial activity, and then use a market test process to determine whether public sector personnel should perform the commercial activities (2003, p.1). Most importantly, there was a narrow definition of an 'Inherently Governmental Activity'. It is defined as an activity that is so intimately related to the public interest as to mandate performance by government personnel, and would normally fall into the categories of:

- the exercise of sovereign government authority; or
- the establishment of procedures and processes related to the oversight of monetary transactions or entitlements. (Office of Management and Budget 2003, p.A-1).

Although it has its critics, outsourcing has been a recommended method of reducing government costs (Globerman and Vining 1996, p.577). In the UK, outsourcing was introduced by the Conservative government in the early 1980s to reduce government expenditure, but also as a way to thwart strikes, and downsize public sector 'blue-collar'

workforces. It was seen as a method of introducing change that would increase the quality of public services and make them more responsive (Bovaird 2006, pp.81-4).

Compulsory Competitive Tendering (CCT) was introduced for construction, maintenance and highways work by the UK Local Government, Planning and Land Act 1980. In 1982 Health authorities were instructed to introduce competitive tendering for support services, such as catering, cleaning, and general maintenance. Nicholas Ridley who was the environment secretary in 1988 and credited as one of the early thinkers on the use of private firms to provide public services, in this case at local government level, argued in a pamphlet called 'The Local Right', that:

[Local] Authorities will need to operate in a more pluralist way than in the past, alongside a wide variety of public, private and voluntary agencies. It will be their task to stimulate and assist these other agencies to play their part instead of, or as well as, making provision themselves (Cochrane 1991, p.283).

After [New] Labour won the general election in 1997, Tony Blair articulated, 'what matters is what works', as an indication of his view that it does not matter who provides public services, so long as they are publicly accountable, of a high standard, and value for money (Barnett 2002, p.310). New Labour claimed not to support outsourcing when its only effect drives down wages of already low paid workers, or reduced the quality of services provided. CCT was replaced with best value, which still required councils to look at outsourcing services, but also forced them to consider factors other than cost alone (Martin 2000, pp.210-1).

The commentators above describe reasoned objectives for outsourcing public services to the private sector. Jackson (2001, pp.13-4) however provides a different perspective that should also be noted. He argues that in his review of the literature, competitive tendering has had an impact on price and quality of the provision of public services, but it has not been overwhelming. He also states:

Given that many activities, which were organized through the public sector, were located there because of the failure of markets to allocate them effectively and given our understanding of what market cannot do, then it is a bit strange to believe that the problems of bureaucracy could be solved by taking these services out of the traditional bureaucracy and confronting them with greater amounts of competition and managerial control. This was an article of faith which has been found to be wanting (Jackson 2001, p.13).

Bovaird (2006, p.83) describes two important drivers of change in public sector procurement in the last decade. The first driver is the topic of this thesis—the change,

or contention of a change, from ‘controlling’ relationships, to collaborative relationships—and the second driver is the resulting complexity of service provision and relationships, from the public sector reform of disaggregating large departments into principals and agents. In other words, public-private procurement relationships are impacted by a change to the underlying procurement philosophy, and also by complexity of the public sector ‘market’ itself.

Bovaird (2006, pp.82-6) examined the tensions between market-based provision of public services, and where there is added value through them being provided by the public sector, and developed a framework (Table 2.4) for understanding the challenges between the different procurement approaches. Bovaird uses the term ‘commissioner’ to refer to public agencies that are purchasing services, and he conducted three case studies into relational contracting, partnership procurement, and distributed commissioning and concluded that there are new forms of public sector procurement practices emerging. These new practices require actors in self organising systems to establish rules, norms, and institutional frameworks of these new collaborative market based relationships (Bovaird 2006, p.99). For this thesis, Table 2.4 also demonstrates the complexity of the Australian Government ICT outsourcing programme. The programme was a centrally directed whole-of-government policy and hence fits Bovaird’s description of ‘Distributed commissioning’, although the day-to-day implementation of the programme was devolved to agencies and is more in-line with the description of ‘Traditional contracting-out’ (Halligan 2001, p.3).

Table 2.4 - Range of commissioner-provider relationships

	Single, stand-alone commissioner	Many (co-ordinated) commissioners
Single (or unitary) provider	<i>Relational contracting</i> Traditional in-house provision	<i>Partnership procurement</i>
Many (uncoordinated) providers	Traditional contracting-out	<i>Distributed commissioning</i> Purchasing consortia

Source: Bovaird (2006, p.84)

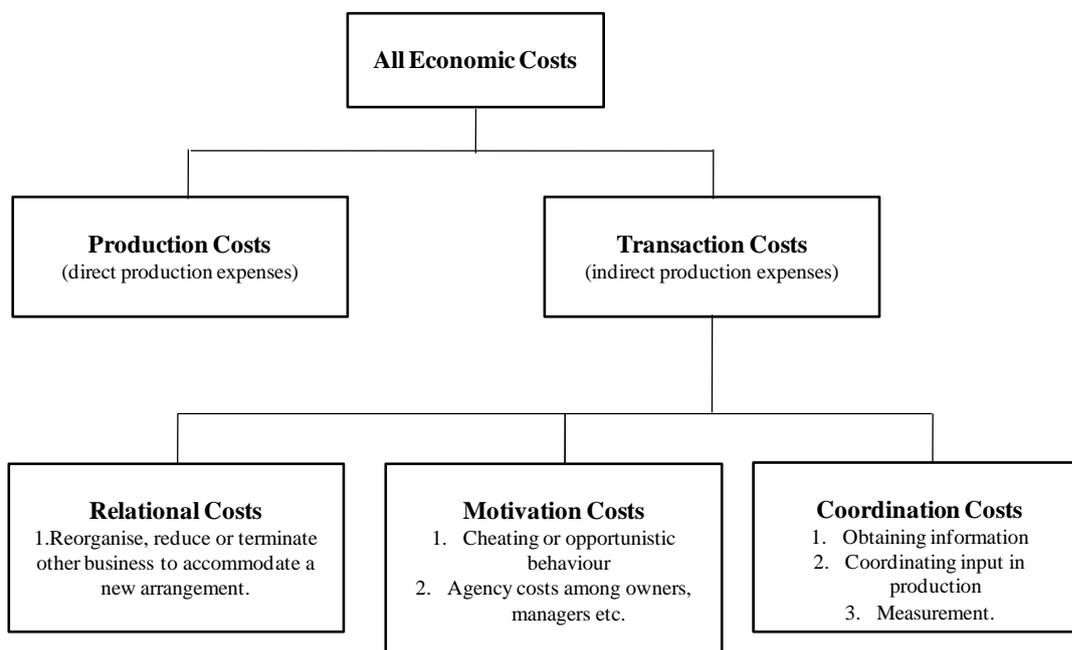
In summary, internationally, the basis for public sector outsourcing has been to provide public services more efficiently—reduce government expenditure—with a

recognition that all but ‘inherently government activities’ might be provided by the private sector. The recognised challenge is how to implement the outsourcing relationship to achieve the best outcome from the private sector, understanding that whilst a new procurement approach can be taken, the complexities of public sector ‘market’ also impact on how well the private sector can perform within it.

Theoretical underpinnings

Business cases on the decision to outsource include economic considerations. The theory underpinning the costs of service delivery (Figure 2.10) defines that the major elements of service delivery are ‘Production costs’ and ‘Transaction costs’ (Ang and Straub 1998; Bahli and Rivard 2003; Bajari and Tadelis 2001; Noorderhaven 1994; Nooteboom 2002; Willcocks and Kern 2002). Transaction Cost Economics (TCE) is used in many research papers, as the basis in measuring the success of outsourcing arrangements.

Figure 2.10 – Costs of service delivery



Transaction cost theory is based on the behavioural assumptions of bounded rationality and opportunism. From a buyer’s perspective, commentators usually describe a suboptimal outcome due to the buyer not being able to adequately specify their requirements, and hence potentially selecting an inappropriate supplier.

Commentators also suggest that the supplier will lie or exaggerate about their capabilities to win the business, and that the supplier will act opportunistically whenever possible throughout the contract term (Bahli and Rivard 2003, pp.212-3; Miranda and Kim 2006, pp.727-8). An analysis by Ang and Straub (1998, pp.543-5) led to the conclusion that many purchasers of IS outsourcing services overly concentrated on the reduced production costs without understanding the associated transaction costs, resulting in inaccurate estimates of Return on Investment (ROI).

In addition to the usual motivation and coordination costs of TCE, Figure 2.10 includes the additional factor of relational costs. Todeva and Knoke describe relational costs as those that arise from potential negative impacts on an organisation's profits, which occur when an organisation's has to adjust their operations to accommodate the new relationship (2005, p.129). Relational costs may be a factor in this thesis given competitive tendering and other ICT related objectives of the Australian Government.

Introducing the private sector

The rationale for introducing the private sector as a means of achieving strategic objectives in the reform of the public sector has been discussed, however this section provides further detail on the thought behind this decision, and consequences of the decision.

Thoughts behind the decision to outsource to the private sector

Thinking behind the decision to outsource services to the private sector included an understanding of the peculiarities of the public sector, the wider accountability measures, and the complex contractual environment.

Knowledge on the peculiarities of the delivery of public services by the private sector is extremely wide-ranging. At one extremity are commentators who regard the contracting arrangement merely as a business transaction governed by an explicit agreement, and hence the outcomes are judged with this thinking in mind (Ang and Straub 1998, p.536; Bahli and Rivard 2003, pp.212-3). Kaplan et al. suggest that this is the reason that many alliances fail. They state that these alliances are defined by service levels which emphasise operational performance metrics rather than strategic objectives. The service levels become outdated and middle managers have no

understanding of the vision of the alliance managers from which to drive the alliance to strategic success (2010, p.115). Commentators at the other extremity suggest that the complexities of the delivery of public services are such that a private sector provider is unlikely to be successful, whether on a performance or relationship style of agreement (Entwistle and Martin 2005, p.237).

The public sector environment is extremely challenging with political and public pressure for the government agencies to do more with less. As Leslie and Tilley (2004) put it, the usually large and complex agencies become larger and less flexible over years—despite the reform agendas—resulting in fuzzy boundaries and a lack of clarity in roles and responsibilities, all of which hinders performance. The complexity of the Commonwealth Procurement Guidelines (Department of Finance and Deregulation (DOFD) 2008a) are particularly difficult for the private sector to understand and work within, due to the government funding and regulatory mechanisms. Hancox and Hackney (2000, p.225) suggest that it is especially difficult to establish a successful relationships where partners are from different domains (public-private).

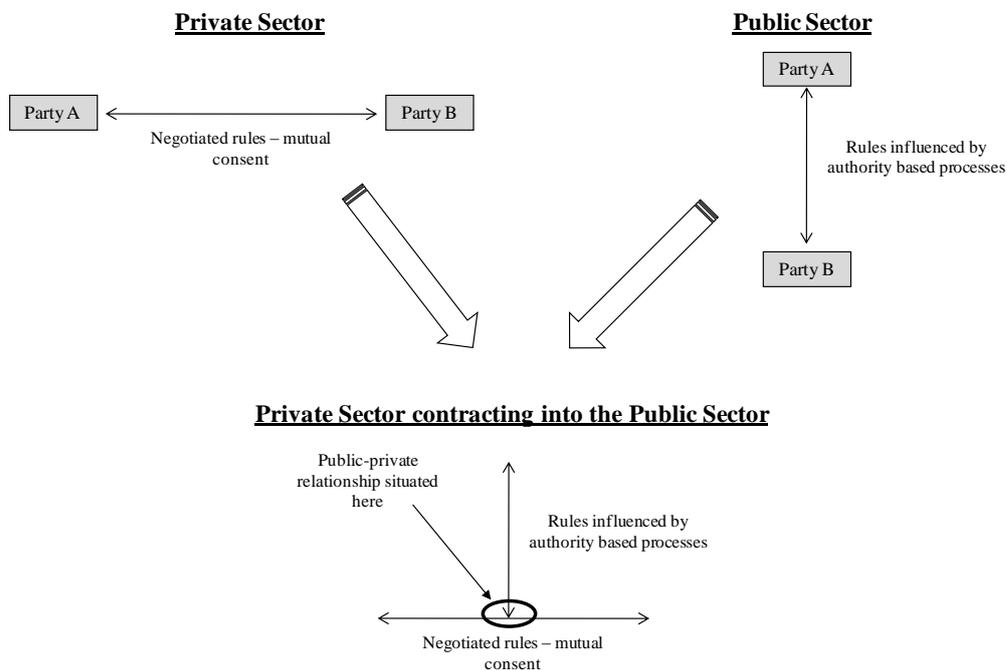
Public sector probity and the competitive tendering process, also sometimes forced unwanted outcomes in the tendering processes of the public sector. Typical claims were that the tendering process and contract compliance engendered short-term, low trust relationships between the outsourcer and the customer. Due to the heavy focus on compliance monitoring, once they had won the work, the outsourcer's attention is directed at meeting the service levels, and potentially reducing effort so that the service levels are only just met, rather than looking to provide better outcomes (Entwistle and Martin 2005, p.235). At the worst end of the scale, Kern et al. (2002, pp.48-50) describe the 'Winner's Curse' whereby the competitive process ends in a supplier winning the outsourced business on little or no margin. This situation may result in a reduction in the quality of the services being provided, arguments on the extent of the services to be provided, or the potential loss of added value benefits. In many cases it appears that the public sector did not benefit from the market competition because it was difficult to benchmark the costs of the ICT services. It appears then that any estimate of how competitive the costs of outsourced services were, was misleading, as

was suggestions of a shift to a more transparent market-led system of cost competition (Bound 2006, pp.112-3; Grimshaw et al. 2002, pp.490-1).

Administration of the contract (structural) arrangement is a consideration due to the expertise required, and the complexity of relationship management. Commentators suggest that a lack of contract management expertise and a lack of understanding by senior managers about the need for strong contract management, will hamper the public sector from obtaining the greatest benefit from outsourcing (Van Slyke 2007, pp.158-60; Auditor-General 2001, p.8 and p.19). Relationship management is also complex as a result of the contrasting governance styles. The private sector operates in a horizontal model based on negotiated rules and mutual consent, whilst the public sector operates within a vertical structure that has rules influenced by authority based process such as the Constitution, legislature, and administration agencies. The result is that the contracting environment of the public-private sector arrangements, operates at the intersection of these two models as illustrated at Figure 2.11 (Greve 2008, p.5; McGuire 2006, p.35).

The significance for this thesis of the two sectors operating at the interface, is that the usual contractual relationship between the public and private sectors is transformed into an uneasy alliance, since both sectors are being influenced by a set of rules that they are unfamiliar with, and the rules are not able to be reflected back into governance and business rules of their respective organisations. McGuire (2006, p.35) also highlights the difficulty faced by the public sector managers themselves, in having to simultaneously manage across these boundaries, where in some cases the boundary is also difficult to distinguish. It is contended that McGuire's comment would equally apply to the private sector managers, where is not recognised by both sets of managers, may lead to frustration in progressing difficulties and disputes.

Figure 2.11 – Relationship at the intersection



Source: Developed from Cooper (2003) cited in Grieve (2008, p.5).

A number of commentators have sought to compare the public and private sectors. Allison states a number of differences between the sectors including that the public sector was dictated by political necessities, government managers have a relatively short time horizon to achieve change, politically appointed senior managers have on average less than eighteen months duration of tenure, and government management was more exposed to public scrutiny (1980, p.287). The study by Johnston identifies a number of other differentiating factors such as governments providing services for the public good, public organisations being subject to a range of accountability measures that the private sector was not, and that public management operates under political authority (1999, p.196). The different outsourcing environments are highlighted in the following quotation, where the difficulty of ranking social objectives against private sector goals is illustrated:

Deciding whether an increase in nonviolent crimes should be tolerated if violent ones fell significantly, for instance, is far more difficult than aiming to increase shareholder returns by 10 percent (Leslie and Tilley 2004, p.105).

Most notably Hughes states that a major difference between the sectors was that the public sector decisions may need to be coercive in forcing citizens to comply with decisions (2003, p.75).

There are however different views. A former Secretary of the Australian Department of Finance, Michael Keating, argued that although there are major differences between the sectors such as the need for a higher standard of ethical conduct in the public sector, the capacity of state services could be improved through the use of meaningful performance indicators and other private sector management techniques. He also states that although the public sector borrowed heavily on management practices from the private sector, both could learn from each other (Keating 1998, p.128).

An issue dealt with extensively in the literature was the decision point on whether public services should be delivered by the public sector or by the private sector. In other words, how is the business case constructed to assess the costs and benefits (value) achieved from a decision to outsource. Aside from a simplistic comparison of the fully burdened salaries of both sectors, it is difficult to assess the financial benefit of claimed outcomes such as access to world-class infrastructure, skills and social opportunities. The public sector has a more complex set of stakeholders and objectives that involve the maximisation of public value, which is not necessarily the maximisation of efficiency (Bound 2006, p.113; Bovaird 2006, pp.81-3; Boyne et al. 2002, pp.692-6).

Consequences of the decision to outsource to the private sector

There were also consequences of the decision to outsource services to the private sector which included a suggested change in the ethos of the public service, and the loss of core expertise.

A number of commentators suggest that one of the unintended consequences of public sector outsourcing and privatisation has been that it has brought a change to the fundamental ethos of the public service. They suggest that there has been a diminution of the public sector ethos that encouraged honesty and integrity in public management, as well as the erosion of goodwill among workers which underpinned the delivery of high-quality services (Bovaird 2006, pp.81-4; Grimshaw et al. 2002, p.480; Wettenhall 1998, pp.234-6; Kakabadse et al. 2003, pp.479-81).

It was also considered that there was a resulting loss of expertise in the public service resulting from the contracting-out of services (Brown and Potoski 2003, pp.154-5; Grimshaw et al. 2002, p.499; Wettenhall 1998, pp.234-6). Moreover, as governments move to a more participative and collaborative approach, there was a view that public servants would need to do learn new or additional skills such as managing complex relationships, conflict resolution, and managing risks (Edwards 2002, p.59). Commentators also discussed failings such as that the public sector puts far more effort into seeking out outsourcing opportunities and their potential associated cost savings, than is put into specifying the management imperatives necessary to develop and manage the contract successfully. There is also recognition of the enormity of the problem which is much more than simply providing specialist education and training for senior public servants. It involves recognition of the distinctive qualities of service provision in the public sector, the public sector ethos, as well as the distinctive nature of quasi-market established through public policy (Greve 2008, pp.83-8; Kettl 2006, p.15).

In summary, this section on 'Introducing the public sector', has identified a number of significant matters that arise when the private sector is tasked with providing public services. These included the:

- peculiarities and complexity of the public sector environment, particularly the probity, accountability, and procurement objectives, and links to any political ambitions;
- different governance styles, and the difficulty for the public sector of managing the relationship at the 'intersection';
- multifaceted decision on whether and when to outsource, along with the complex calculation on the 'value' to be gained from the decision; and
- resulting unintended consequences, such as the lack of public sector expertise.

The Australian Government's ICT outsourcing programme

The final section in this discussion on outsourcing, narrows the focus to the Australian Government's ICT outsourcing programme. The purpose of this section is to provide the background to the outsourcing programme, as a lead-in to the

examination in Chapter 3 of the specific outcome(s) sought by the initiative. As there are a number of terms used synonymously by commentators on outsourcing, the terms most relevant to this thesis—outsourcing, contracting-out, competitive sourcing, and privatisation—are defined in Appendix A.

Background

The Australian Government undertook a period of major public sector reform in the 1980s and 1990s. In 1993 the National Competition Policy Review by Hilmer established a set of Commonwealth and state government principles not to restrict competition unless it could be shown that this was in the public interest. In association with the national competition policy and competitive tendering and contracting (CTC) processes, government agencies were to review their activities with the aim of more client-focused services while achieving savings and maintaining accountability. An outcome from the agency's review may have been the establishment of an outsourcing (contracting-out) arrangement where a private provider undertook the previously public sector task. (Australian Public Service Commission 2003, pp.121-4)

In parallel, the outsourcing of the government IT services had also been considered in the early 1990s, but the prime motivation of the Labour government at that time was to use outsourcing as a means to assist local IT industry development and to import IT expertise (Aulich and Hein 2005, p.38; Morton 1997; Holland 2001; Bound 2006, p.109; Gottschalk and Solli-Saether 2006, pp.2-3). Labour established the Office of Government IT (OGIT) in 1994 which was tasked with developing a government wide IT outsourcing initiative. The focus of the initiative remained on industry development rather than cost savings. However there was a change of government in 1996 and the focus of the IT outsourcing initiative changed to systemic outsourcing and government efficiency (Aulich and Hein 2005, pp.38-9; Holland 2001).

On 25 April 1997, the Minister for Finance, Hon. John Fahey MP, announced the government's in-principle decision to outsource its information technology infrastructure, covering mainframes to desk tops (Australian Public Service Commission 2003, p.126; Parliament of Australia 1997). The approach was

controversial largely because it was centrally directed by the Minister for Finance and Administration. The 1997–98 Budget Papers noted that:

The initiative is in accordance with more general Government principles and arrangements relating to the consolidation of purchasing and the requirement for market testing and competitive tendering in the letting of contracts. More specifically, the decision to consolidate and outsource IT infrastructure follows an evaluation, undertaken by the Department of Finance and the Office of Government Information Technology (OGIT), of the potential benefits which might be gained. The Government has stated that this evaluation 'found strong evidence of significant potential benefits from such consolidation and outsourcing within a whole of Government competitive tendering and outsourcing framework' (Parliament of Australia 1997).

The whole-of-government initiative required budget-funded agencies to outsource mainframe services, midrange systems, distributed and desktop operations, support services and data networks. Agencies could elect to include voice telecommunications services and/or applications development and support (Auditor-General 2000, pp.39-40).

The initiative was also controversial due to the optimistic savings to be made. The forward estimates were seen as optimistic, amounting to \$37.9 million in 1998-99, \$87 million in 1999-00, and on-going annual reductions of \$99.2 million from 2000-01. The total projected savings were estimated at \$1 billion over a seven-year period. Almost arrogantly, the outsourcing programme stated that participation in the initiative was not compulsory, however the agencies were still expected to achieve the savings and their budget bases were reduced accordingly (Aulich and Hein 2005, p.39; Morton 1997; Auditor-General 2000, p.42). The 1997-98 Budget Paper No.2 stated that:

... whilst agencies were not required to consolidate or outsource IT infrastructure in the absence of a sound business case, they were expected to: apply a competitive tendering process to those services and achieve levels of efficiency and performance equivalent to those indicated in the OGIT/DOF Evaluation; and achieve savings (Auditor-General 2000, p.42).

Unfortunately the planned outsourcing timetable was not able to be met and by June 1999 only four of the 11 planned clusters had been put to the market. The Australian National Audit Office (ANAO) (Auditor-General 2001, pp.18-9; Auditor-General 2000, p.26) highlighted a number of problems with the Australian Government's ICT outsourcing program, and opportunities for improvement. Recommendations included that at the conclusion of their existing group contracts, agencies be permitted to structure their future arrangements according to what best suited to individual agencies. There was also encouragement to selective sourcing through which agencies

engage a range of suppliers on the basis of their ability to offer a highest quality and greatest competitive notice in the area of specialisation.

There was a later unwinding of the centrally driven outsourcing initiative and the responsibility for managing IT outsourcing was devolved to the heads of each Australian Government agency (Aulich and Hein 2005, pp.6-9; Halligan 2001, p.3; Bound 2006, pp.109-11).

The current status of the initiative

The ICT industry has traditionally been considered as a panacea to economic development, but in recent years this has been extended to the industry being seen as critical to innovation and enabler for all (Bound 2006, p.108). This appears to be the continuing position of the Australian Government, with ICT reform remaining as a government priority under the governance of the AGIMO (Australian Government Information Management Office 2010).

In 2008 the Minister for Finance and Deregulation, Lindsay Tanner, engaged Sir Peter Gershon to undertake a further review of the Australian Government's use and management of ICT. The focus of the review was to identify ways in which the management of ICT could be strengthened to maximise benefits, drive greater efficiency, and deliver better services. The review also examined the way in which agencies manage their ICT investments, including maintenance, development and staffing. Sir Peter provided Minister Tanner with his report on the 28th of August 2008 and in November 2008 the government endorsed the recommendations and initiated the reform programme (Australian Government Information Management Office 2010).

Recommendations in the report included strengthening governance, enhancing the ICT skill base, and improving the efficiency and effectiveness of the ICT marketplace (Australian Government Information Management Office 2010). The government also noted that there were further cost savings to be made:

In his independent review of the Government's use of ICT, Sir Peter Gershon noted that savings of around \$1 billion could be achieved over four years by reducing agencies' business as usual ICT costs (Tanner 2009).

In summary, this section on the ‘Australian Government’s ICT outsourcing programme’ identified that outsourcing was initially considered alongside reform of competition policy, having a focus on the development of local IT industries and importing IT expertise. When it was later launched, the programme was controversial due to its expansiveness, and the optimistic level of projected savings. The programme was unwound, allowing heads of agencies to make decisions on whether to outsource IT services, but it remains as an important area for efficiency improvement by the Australian Government.

Chapter summary

Chapter 2 is the first of two chapters which set the scene for the thesis by describing organisational relationships and outsourcing. Chapter 3 draws these two topics together in a discussion on collaboration within organisational relationships, and the outcomes sought from the private sector in Australian Government’s ICT outsourcing programme.

The initial part of the chapter described traditional governance arguments on markets versus hierarchy, and provided a framework that allowed structural arrangements to be distinguished from organisational relationships. Outcomes from organisational relationships were described as either control or collaboration, with the discussion on PPPs establishing the notion that it was possible to create added value from the relationships themselves. A major contribution of this section to the thesis was the conclusion that all outcomes from the organisational relationships can be regarded as collaborative. However, and particularly for government procurement from the private sector, the collaboration might provide either:

- tactical outcomes—described as control in the theoretical texts; or
- strategic outcomes—described as collaboration in the theoretical texts, but depicted in PPPs as added value created via the organisations focussing on joint business strategies.

The second major part of Chapter 2 was a discussion on outsourcing, covering the rationale behind outsourcing, an overview of private and then public sector outsourcing, and finally, a description of the Australian Government’s ICT Outsourcing programme. Outsourcing is regarded internationally—at least in Western countries—as having the

potential to reduce inefficiency, allow a focus on core tasks, and increase access to wider skills and technology, however, and in the case of the public sector, there was varying agreement on whether these beneficial outcomes were being achieved without any unintended consequences. The recognised challenge is how to implement the outsourcing relationship to achieve the best outcome from the private sector, understanding that the complexities of the public sector impact on the private sector's ability to achieve the best outcome. A number of matters were identified that arise when the private sector is tasked with providing public services. These included the peculiarities and complexity of the public sector environment, managing the relationship at the 'intersection', and the resulting consequences, such as the lack of public sector expertise. Outsourcing was initially considered by Australia alongside its reform of competition policy, with a focus on the development of local IT industries and importing IT expertise. The actual ICT outsourcing programme was controversial at its launch and was later restructured, however it remains as an important area for efficiency improvement by the Australian Government.

Chapter 3 – Collaboration, outcomes, and models

Firms are not islands but are linked together in patterns of co-operation and affiliation. Planned co-ordination does not stop at the frontiers of the individual firm but can be effected through co-operation between firms. The dichotomy between firm and market, between directed and spontaneous coordination, is misleading; it ignores the institutional fact of inter-firm cooperation and assumes away the distinct method of co-ordination that this can provide.

(Richardson 1972, p.895)

This chapter builds on the background on organisational relationships and outsourcing provided in Chapter 2, and provides a focussed discussion on collaboration in organisational relationships, and an examination of what was sought from the private sector in the Australian Government's ICT outsourcing programme.

Specifically, Chapter 3 discusses:

- Collaboration in organisational relationships: how outcomes might be judged as being collaborative, what relationship constructs are important in a collaborative relationship, and how collaborative outcomes might be measured.
- The outcomes from the public-private relationships, which were sought by the public sector in the Australian Government ICT outsourcing programme.
- Frameworks or models of public-private organisational relationships.

Chapter 3 concludes with a review of the identified gaps in knowledge that this thesis is seeking to assist in addressing. The Methodology chapter of this thesis, Chapter 4, follows with a statement of the research question and objectives, and then a description of the research methods and data collection techniques.

The contribution of Chapter 3 to the thesis, is that it identifies that collaborative approaches are sought by organisations as a means of overcoming increasingly complex performance challenges. Commentators refer to this as a collaboration continuum, or a

partnering continuum. The chapter also identifies that cost savings were the principal outcome being sought at the introduction of the Australian Government's ICT outsourcing initiative, but at the global level, the focus on outsourcing outcomes was moving to achieving strategic benefits. Finally, prior research data on organisational relationships was identified for use in Chapter 4 (Methodology) to establish an Initial Framework that would be tested and further developed during the case studies.

Collaboration

Definitions

The word collaboration means to work jointly on an intellectual endeavour such as a literary or artistic production (The Australian Concise Oxford Dictionary 2004).

Whilst this thesis has contended that all outcomes from an organisational relationship are collaborative—ranging from tactical collaboration to strategic collaboration—it is instructive to identify definitions of the notion of collaboration in the literature. Given the breadth and complexity of the phenomenon, is not surprising that definitions of collaboration in the literature are numerous and wide-ranging. This section identifies a number of relevant definitions with an aim of establishing a set of principles about collaboration that may then be used to create a definition for use in this thesis.

The definition by Phillips et al. (2000, p.24), 'a co-operative relationship among organizations that relies on neither market nor hierarchical mechanisms for control', is notable as it establishes the notion of a separation between the organisational relationship and the structural arrangements.

A definition that draws out the theme that collaboration requires ongoing maintenance to be successful, is provided by Black et al. (2002, p.5). They define collaboration as '... the sum of participants' engagement', with the notion that as participants become more engaged through a sense of progress and trust in the other participant, productivity increases.

The Center for Technology in Government's (2004, p.4) definition of collaboration '... a reciprocal and voluntary agreement between two or more distinct public sector

agencies, or between public and private or non-profit entities, to deliver government services', was notable for its recognition that the arrangement is reciprocal and voluntary. This definition links with a premise of this thesis, viz. that the relationship is not dependent on the underlying structural arrangement.

Describing collaboration as not being dependent on the underlying arrangement, is a theme also described by Thomson and Perry (2006, pp.20-3). In their definition they describe the actors as being autonomous and able to act formally or informally, and act, negotiate and decide jointly on beneficial outcomes. Collaboration is defined by them as '... a process in which autonomous actors interact through formal and informal negotiation, jointly creating rules and structures governing their relationships and ways to act or decide on the issues that brought them together; it is a process involving shared norms and mutually beneficial interactions' (Thomson and Perry 2006, p.23). The words in the definition, 'shared norms' also establish the notion that the parties are equals and acting jointly.

The principle of the parties acting as equals is also noted by Thompson and Sanders, where the relationship is at such a level that there is *open* sharing of information, particularly business plans and strategic objectives (1998, p.75). Their definition is:

When collaboration is at its best, open sharing of information between parties ensues. Each comes to understand the wants and needs of the other, resulting in both an improved attitude and an appropriate knowledge of the type of service requested. When leaders share business plans, partnering companies are empowered to assist in the achievement of each other's strategic plan, leading to success for all involved.

A particularly insightful definition for this research is provided by the National Center for Children Exposed To Violence (2003), a national resource centre established at the Yale Child Study Center by the US Department of Justice. The definition is notable in its notion of co-labouring, where there would not be a stringent list of roles and responsibilities to be completed by each party, but rather a list of common tasks where they would co-work. The definition is:

A mutually beneficial well-defined relationship entered into by two or more organisations to achieve common goals. Collaboration is the process of various individuals, groups, or systems working together but at a significantly higher degree than through coordination or cooperation. Collaboration typically involves joint planning, shared resources, and joint resource management. Collaboration occurs through shared understanding of the issues, open communication, mutual trust,

and tolerance of differing points of view. To collaborate is to co-labor [sic] (National Center for Children Exposed to Violence (NCCEV) 2003).

The necessity of client co-production is also highlighted by Alford. He suggests that value cannot be created or delivered unless the client actively contributes to its production (Alford 1998, p.130).

These definitions of collaboration identified in the literature are used in Chapter 4 to compile a set of principles about collaboration and establish a 'working' definition for collaboration for use in this thesis.

Why collaborate?

A considered example of the growing importance of collaboration and of research into collaboration, is provided by Donald Kettl. He states that challenges of the 21st century (Hurricane Katrina, terrorism, pandemics, etc.) are undermining boundaries - 'any boundaries, drawn anywhere' - so that agencies charged with managing the challenges are facing growing performance problems. The way ahead, he suggests, requires a collaborative multi-organisational, multi-sector approach (Kettl 2006, pp.12-7). There is never-ending list of significant 21st century challenges, which could currently include the oil spillage in the Gulf of Mexico, the Global Financial Crisis and the subsequent flow-on effects on the financial stability of several European countries, and the civil unrest in Thailand. It could be argued that all fit Kettl's category of requiring significant multi-organisational, multi-sector, collaboration.

By the end of the 20th century many multinational corporations had realised that they could not compete successfully by merely exploiting economies of scale and scope, and that to ensure profitability, they needed to work cooperatively with others to achieve competitive advantage (Hansen and Nohria 2004, p.22; Skjoett-Larsen et al. 2003, p.531). Bititci et al. (2004, p.255) summarised the reporting in the literature on the significant motives and benefits associated with inter-enterprise collaboration in the private sector. The summary from the literature is provided in Table 3.1.

Table 3.1 – Collaboration: motives and benefits

Motive and benefit	Reference
To increase their market share	(Lewis 1990)
To increase asset utilisation	(Lewis 1990)
To enhance customer service – reduction in lead times, customer complaints, etc	(Lewis 1990)
To share and reduce the cost of product development	(Lewis 1990; Parker 2000; Horvath 2001; McLaren et al. 2000)
To reduce time in product development	(Lewis 1990; Parker 2000; McLaren et al. 2000; McCarthy and Golicic 2002)
To decrease risk of failure of product development	(Parker 2000)
To increase quality of product	(Lewis 1990)
To enhance skill and knowledge	(Lewis 1990)
To have technological gain as participating firm	(Lewis 1990; Parker 2000)
To achieve economies of scale in production	(Lewis 1990)
To reduce inventory – in the face of increasing technological complexity and rapid rate product development and obsolescence	(Parker 2000; Holton 2001)
To gain rapid access to markets	(Parker 2000; McCarthy and Golicic 2002)

Source: Developed from Bititci et al. (2004, p.255)

An early example of cooperative working was introduced in the 1980s as a result of the open exchange of information in Supply Chain Management (Barratt 2004, p.6; Cassivi 2006, p.250; Simatupang and Sridharan 2004, pp.45-6). Since 1995, collaboration within the supply chain has been extended through business processes such as common planning and the synchronisation of activities, but firms are still not achieving the greatest possible efficiency because they are unable to work effectively across the firms that comprise their supply chains (Spekman et al. 1998, pp.648-9).

The search for more effective ways to deliver public services in Australia dates back to the early 1830s when as a result of the drying-up of convict labour, the Government began to devolve functions to councils, statutory authorities, and private contractors (McIntosh et al. 1997, p.14). Rather than just devolving the delivery of services, more recently the Government has sought to add value through innovations increasingly relying on cross-boundary collaboration among government agencies, with the private sector, and with non-profit organisations. Along with trust and knowledge sharing,

Black et al. (2002, pp.1-2) regard collaboration as one of the central elements of effective organisational relationships. However, they also point out that there is little consensus on the nature of this complex phenomena let alone a commonly accepted framework to describe how the elements of effective relationships interact.

In summary and in answer to the question of ‘Why collaborate?’, organisations have recognised that the traditional methods of establishing competitiveness, and addressing performance challenges, are no longer effective, and that working more closely with others provides a valuable solution. This notion of working more closely with others—to collaborate—is further explored to understand its concepts, and characteristics.

Theoretical basis

Underpinning collaboration is economic game theory, and this is a useful framework for considering activities involving more than one participant where there are rules, roles, outcomes, strategies and pay-offs (Scharle 2002, pp.228-9). Game theory models the different strategies that two or more players can take in competitive situations. These games are not necessarily non-cooperative (win/lose) like chess, and each player may receive a benefit which might vary depending on the decisions made by the other player(s). Games may also be played in a cooperative fashion with a win/win outcome (McCain 1994, p.13).

Game theory can be used to explore complex interactions—including how cooperation might be promoted within violent environments in international politics (Axelrod 1997, pp.5-8). Axelrod also describes landscape theory where elements of a system are arranged with highly compatible elements together, and keep less compatible elements apart. Landscape theory predicts the alignments of actors such as organisations or nations, and Axelrod shows how the theory supported the alignment of European nations in the Second World War (Axelrod 1997, pp.72-5). The theory is notable in the context of this thesis, as it might be applicable to public-private relationship in ICT outsourcing, regarding additional benefits from the grouping and co-location of staff in the public and private organisations. The detailed examination of landscape theory is outside the scope of this thesis, however it may be able to produce a beneficial outcome for ICT outsourcing relationships, and hence may be a worthwhile topic for further research.

An example of game theory provided by McCain is:

Joe needs \$80 to buy an item, and has another item to sell that he values at \$80. Mike has \$100 in cash and wants to buy the item that Joe has to sell. Mike independently values Joe's item at \$100. The strategies available to Joe and Mike are to give or to keep. A cooperative game is the give-give exchange which for this example is assumed that Mike purchases the item that Joe has for sale at a negotiated price of \$90 (1994, p.13).

The outcomes of this simple game are illustrated at Table 3.2.

Table 3.2 - Outcomes from a simple game

		Joe	
		Give	Keep
Mike	Give	\$110, \$90	\$10, \$170
	Keep	\$200, \$0	\$100, \$80

Source: Adapted from McCain (1994, p.13)

The meaning of the outcomes illustrated in Table 3.2 are:

- Upper left (give-give) quadrant - Mike has the item he values at \$100, plus \$10 remaining (\$110). Joe has the \$80 he needs, plus an additional \$10 (\$90).
- Lower left (keep-give) quadrant - Mike has Joe's item that he values at \$100, plus \$100.
- Upper right quadrant (give-keep) - Joe has the money he needs and his existing item, each of which he values at \$80. He also has an additional \$10 giving (\$170). Mike is left with only \$10.
- Lower right quadrant (keep-keep) - both Mike and Joe have what they began with.

Ranking of outcomes is done on the basis of considering all players, where one outcome is better than another if at least one person is better off and no-one is worse off. In this example, the cooperative game produces the best outcome (McCain 1994, p.13). Also note that in this simple example, as well as obtaining the outcome that each person was after, the best (cooperative) outcome also provided them an additional benefit of \$10 each. Non-cooperative games would be the keep-keep, give-keep, and keep-give games.

Table 3.2 illustrates that Mike and Joe would be individually better-off when they play the keep strategy and the other plays the give strategy.

Whilst this example is simplistic and does not portray the multitude of different outcomes possible, differing in one instance for example by the value that Mike places on Joe's item, for the purposes of this thesis the examples serves to demonstrate a fundamental principle on collaborative working. The principle is that interacting parties could take a non-cooperative strategy whereby they maximise their own return, or they could work cooperatively, achieving their originally sought outcomes and additional mutual benefit – the notion in this thesis of strategic collaboration.

Collaboration as a continuum

The thesis to this stage has argued that all outcomes from an organisational relationship are collaborative, the outcomes range from providing tactical benefits, to outcomes that provide a strategic benefit. Commentators also state that rather than just being a single outcome, the commonly used term 'collaboration', is only one outcome on a continuum of outcomes that reflects the complexity of the purpose of the organisational relationship. For example, information sharing may be the outcome sought from an undemanding relationship, whereas the joint problem solving of complex issues may be the outcome sought from a relationship formed for that more challenging purpose (Richardson 1972, pp.884-6; Gossain 2002, p.23; Thomson and Perry 2006, p.21; Cigler 1999, p.88; Mandell and Steelman 2003, p.203).

Cigler describes a number of outcomes, including one termed collaboration, which she states reflects the strong participant linkages with specific, complex and often long term purpose (1999, p.89). Thompson and Sanders similarly agree on the term collaboration with similar characteristics. However, they include an outcome type termed competition as the first stage in the continuum which they suggest is the traditional approach and the absence of a relationship (partnering); characterised by having no common objectives, a coercive environment and a short term focus (1998, pp.74-6). Phillips et al. similarly conclude that market based (buyer-supplier) arrangements that focus on pricing mechanisms are excluded from collaborative arrangements (2000, p.24).

In a similar fashion Huxham and Vangen describe their use of the term collaboration in its full range of positively-oriented, inter-organisational relationships, and not as the term control may have, with negative connotations. They also use the term 'collaborative advantage' in describing the positive outcomes achieved by such alliances, and 'collaborative inertia' as where collaboration is sought but not achieved, noting that collaborative inertia is not the same as control (2005, pp.3-4).

As a means of drawing together the disparate views on outcomes, to establish a relationship framework in Chapter 4, a summary of commentators' definitions of outcome typologies and outcome characteristics is provided at Table 3.3. The common theme between the commentators is that the continuum that they describe represents a measure of the level of interdependence between the organisations. At one extreme, 'Competition' and 'Networking', the relationship outcome is of non-dependence and independent objectives. There is collaboration at this extreme, but the collaboration is only on a 'dissociated' basis – meaning that the parties are not working together in a connected fashion. This notion is what this thesis terms as 'Tactical Collaboration'. The continuum progresses to the other extreme, 'Coalescing', when the parties are interdependent and share significant attributes such as performance, cultures and risk.

Mandell and Steelman provided similar descriptions to those in Table 3.3, but used an outcome typology of intermittent coordination, temporary task force, permanent coordination, coalition, and network structures (2003, Table 1 p.209). Gossain simply described the continuum in terms of levels of external integration, delineated principally on the level of information sharing (2002, p.23), and Skjoett-Larsen et al. considered the continuum within the supply chain in terms of the scope and depth of collaboration (2003, p.535).

In summary, collaborative approaches have been sought as a means of overcoming increasing complex performance challenges. Collaboration is a service-related concept of positive inter-working between organisations for mutual benefit. Collaborative outcomes are reciprocal and voluntary, not mediated by market structures, and require ongoing maintenance effort.

Table 3.3 – Outcome typologies and characteristics

Outcome typologies	Characteristic of outcome typologies			
	(Skelcher and Sullivan 2008, p.757)	(Cigler 1999, p.88)	(Thompson and Sanders 1998, pp.74-7)	(Keast and Mandell 2009, p.2)
Competition			Short term focus, may have conflicting objectives with coercive environment	
Networking		Members join and disconnect with ease. Resource sharing on ideas, news and reports.		
Cooperation	Shared information and mutual support	Cooperate on one or more activities, entail few resources.	Project specific common objectives with improved relations and multiple points of contact.	Loose connections with low trust, tacit information sharing. Independent goals. Power remains with organisations.
Coordination	Common tasks and compatible goals	Stable and more formal structure with some loss of autonomy. Higher resource commitments.		Work-based trust with structured communication flows. Project-based information sharing. Semi-interdependent goals.
Collaboration	Integrated Strategies and collective purpose	Resource commitment is significant and there could be written agreement on structure and processes.	Long term focus, improved processes, shared authority and measures tied to team incentives.	Dense interdependent connections with high trust. Frequent communication and tactical information sharing. Long term (3 years) timeframe. High risk/high reward.
Coadunation	Unified structure and combined cultures			
Coalescing			One common performance measurement system, integrated cultures, implicit trust and shared risk.	

ICT outsourcing outcomes

In previous sections of this thesis, commentators were identified as describing a number of outcomes sought by ICT outsourcing including:

- allowing a greater focus by agencies on their core business,
- accessing improved technology and the wider technical skill sets of the private sector,
- development of the local ICT industry, and
- realising cost savings (Aulich and Hein 2005, p.36; Greve 2008, pp.9-12).

The purpose of this section is to discuss and identify the principal outcome sought, if there was a principal outcome, from the Australian Government's ICT outsourcing programme.

Academic views

Academic commentators were either of the view that the principal outcome focus was on significant cost savings, or that this was the principal view at the outset of the outsourcing initiatives, but that subsequently the focus changed.

Greve considers the question of - 'Why contract for Public Services?' - and cites Savas (2000) as stating that the reduction of the cost of government is the top reason why governments would want to use the private sector for public service delivery. Greve concludes that while lowest cost has been a key focus for governments around the world, innovation is now replacing the focus on saving money (Greve 2008, pp.6-7). This view is supported by Hodge who considers that outsourcing is privatisation, but with more narrow objectives (2000, pp.24-5). Hodge states that the objectives of outsourcing were universally related to economic efficiency through cost and headcount reductions, and concludes that this had changed in later years to more highly rated outcomes such as access to specialist skills and service quality improvements.

A review by Kern, Willcocks, and van Heck (Kern et al. 2002, p.47) focussed exclusively on the cost savings in ICT outsourcing. They stated that of the all the

benefits, the most commonly sought benefits from ICT outsourcing are the financial benefits including improving cash control, and increasing cash flow. This typically represented savings of between 10% to 40% (Kern et al. 2002, p.47). The review of the Australian Government's ICT usage by Sir Peter Gershon (Department of Finance and Deregulation (DOFD) 2008b, p.48) revealed that agency spending on ICT products and services varied between 4% and 54% of their total operating expenses. The review considered that potential savings across a number of ICT initiatives were such that it recommended a 15% aggregate budget reduction for large agencies (Department of Finance and Deregulation (DOFD) 2008b, p.68). For non ICT services, Hodge (2000, p.129) suggested a figure of between 8% and 14% with a caveat that the figures required adjustment to account for transaction costs and differing tax rates. Discussion on the savings from ICT outsourcing is further complicated as a result of some services being provided 'offshore', which had the potential to benefit from lower labour rates (Carmel and Agarwal 2002, pp.68-9). In summary, whilst there appears to be no definitive data on potential savings from the outsourcing of public sector ICT products and services, the literature agrees that savings are to be had. The extent of any savings is not further considered in this research as a measure of whether the principal outcome sought was on cost savings, because the literature recognises that it is impossible to be definitive on the extent of the savings. Economic factors such as the public sector not having a prior cost base from which to benchmark the outsourced services, cost minimisation not being a priority until the recent introduction of activity-based costing, and cost allocation difficulties within large departments, are cited as the basis of this difficulty (Jensen and Stonecash 2004, pp.6-8; Rimmer 1998, pp.77-8; Verspaandonk 2001).

In their article, Parker and Hartley (1997, p.116) described the European Community (EC) Procurement Directives, and the Compulsory Competitive Tendering (CCT) legislation of the UK for government services that were driving agencies towards competitive supply arrangements, based on the principle of arm's length relationships. The establishment of 1999 Local Government Act in the UK was an attempt by New Labour to show that it had a focus on outcomes through a devolution of responsibility. With it came a move from CCT to a 'Best Value' initiative which allowed authorities to use much wider test for competitiveness (e.g. benchmarking,

voluntary competitive tendering), as compared to the strict competitive tendering assessment required of the CCT regime. The Best Value initiative also promoted partnering between local authorities and the private sector (Martin 2000, pp.210-12). The rhetoric on how forward-looking the Best Value initiative was, was tempered by Grimshaw, Vincent, and Willmott (2002, p.479), who stated that the reality was that the focus remained on public sector managers to demonstrate that a competitive process was followed, with an aim of maximum efficiency.

Australian Government view

The Whole-of-Government Information Technology Infrastructure Consolidation and Outsourcing Initiative (IT initiative) announced by the Australian Government in early 1997 was directed at achieving a number of objectives. These objectives included the rejuvenation of the local IT industry (industry development objectives), allowing agencies to focus on core business, and cost savings (Aulich and Hein 2005, pp.38-9; Verspaandonk 2001, p.3). As a policy initiative, the focus of the IT initiative on savings was downplayed. However, the Minister for Finance claimed that it would save \$1 billion over a seven year period, and departmental budgets were subsequently cut in anticipation of the savings being met (Aulich and Hein 2005, p.39; Morton 1997; Auditor-General 2000, p.42). Further, the Budget Review 1997-98 published in May 1997 (Parliament of Australia 1997) listed the outsourcing programme as one of its major platforms and outlined the estimated savings from major departments. The savings amounted to \$120 million for the three financial years 1998-98 to 2000-01, and also hinted that further savings may be possible from the 2800 employees in the area.

A more recent Australian Government document discusses the outcomes sought from the outsourcing programme. In, 'A Guide to ICT Sourcing for Australian Government Agencies: Developing and Executing an ICT Sourcing Strategy', the Government defines ICT sourcing as:

ICT sourcing determines where an agency's ICT components are obtained, managed and run. The basic objective of ICT sourcing is to deliver the best level of support for the agency's business requirements in the most cost-effective way. This is encapsulated in the Government's policy objective of achieving the best overall Value for Money ICT outcome (Australian Government Information Management Office 2007, p. 1).

Although this document was written some six years after the introduction of the Government's outsourcing initiative, as a government policy agenda, there remained a clear focus on cost-effectiveness and value for money. This is an interesting result since Figure 2.9 showed an evolution of outsourcing research issues from a make-or-buy decision, to managing the relationship with the service providers as a partnership (Lee et al. 2000, p.4). This may indicate that the policy agenda needs review.

The Australian Government's ICT outsourcing programme was also the subject of an Australian Broadcasting Corporation (ABC) radio program called 'Background Briefing' on ABC Radio National on 13 July 1997. The radio session was exploring the then-current issues on the IT outsourcing programme, and played a recording from a Senate Committee where the Executive Director of the Office of Government Information Technology (OGIT) had been asked to explain why a government agency had been allowed to outsource its IT infrastructure requirements without going through a competitive tendering process. When asked by a Senator as to whether this was an appropriate manner for the government to act, the Executive Director of OGIT stated: 'If it results in significant savings' (Morton 1997). This response from a senior executive of the government agency charged with the implementation of the ICT outsourcing programme provides a clear statement on the outcome being sought by the programme, and also confuses the Government's other procurement policy agendas such as encouraging competition through an open and competitive tendering process (Department of Finance and Deregulation (DOFD) 2008a, p.11).

In summary, the principal outcome being sought by the Australian Government at the introduction of the ICT outsourcing initiative, was clearly on cost savings.

Organisational relationship framework

There is a wealth of literature that considers the management and governance aspects of organisational relationships. A large number of these texts focus on 'what makes a good or bad relationship', and list factors that are asserted as being pertinent to that outcome. The practical issue is that the literature is extremely diverse, and it is difficult to systematically identify and collect literature data, particularly empirically based data, for later use. To overcome this difficulty, the Interaction Approach Model was

employed in a tabular form, with the four elements of the Model used to define 'Construct groups' of an organisational relationship. Relevant data identified in the wider literature was then listed against the appropriate construct group.

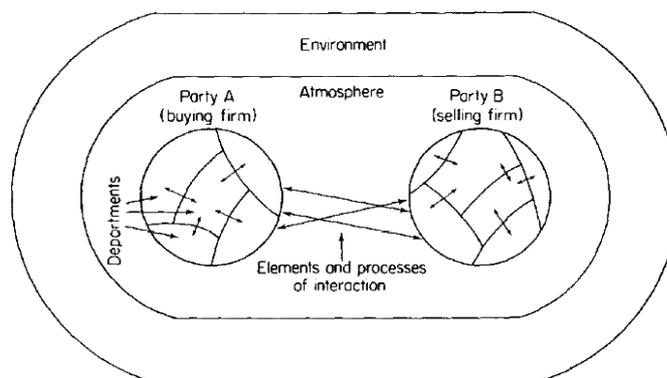
Using the Construct groups of the Interaction Approach Model as the base, this major section of the thesis develops a framework for an organisational relationship, identifying relationship constructs from the literature under the themes of:

- relationship outcomes – prior research examining on collaborative outcomes in relationships;
- Supply Chain Management;
- Key Account Management; and
- longitudinal change in relationship – prior research examining longitudinal changes in relationships.

The Interaction Approach Model

The objective of the Industrial (originally International) Marketing and Purchasing group (IMP) was to provide researchers with a descriptive model of inter-firm buyer and seller behaviour in complex environments. The model (Figure 3.1) was originally developed in 1982.

Figure 3.1 – The interaction model



Source: Håkansson (1982, p.15)

The interaction approach draws upon inter-organisational theory, marketing and purchasing literature, and on transaction cost theory to substantiate its different

constructs and dimensions (Kern and Willcocks 2002, pp.5-6). The IMP group argue that their approach challenges traditional thinking on industrial marketing and purchasing in four areas:

- buyer behaviour is not focussed on individual purchases, but recognises the long-term and often complex patterns of interaction;
- the market is not passive and that either buyers or sellers may take the more active part;
- the market is not highly volatile, and has a stable structure where buyers and sellers know each other and understand market movements; and
- that markets cannot be separated into an understanding of either the buyer or seller side, and simultaneous analysis is required (Håkansson 1982, p.1).

The first three challenges indicate the emergence of an organisational relationship and the fourth challenge highlights the importance of dyadic research as proposed in this thesis.

The main conclusion of this model is that buying and selling in industrial markets is not just a series of unrelated transactions. Instead the transactions are merely interactions in an often long-term and complex relationship between buyers and sellers. The model recognises that participants are commonly confronted with a complex pattern of interactions between and within organisations, and that the interactions become institutionalised into a set of roles that each organisation's stakeholders expects the other to perform (Metcalf et al. 1992, pp.28-30).

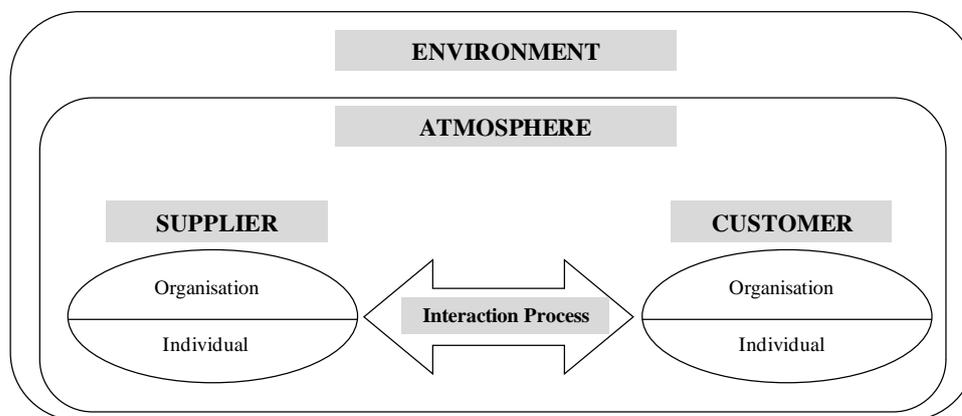
Variables described in the model are the 'parties' (individuals and organisations), 'elements and processes', the 'environment' where the interactions take place, and the 'atmosphere' affecting and affected by the interaction (Håkansson 1982, pp.14-5).

The Interaction Approach Model (Figure 3.2) was developed from the interacting variables, and involves four elements:

- The interaction process – the exchange of products and services, information, finance, and social interaction.
-

- The interacting parties – the characteristics of the parties, covering the individuals, technology, and the size, structure, strategies and experience of the organisations themselves.
- The atmosphere – the impact of episodes between the parties, the nature of the relationship itself, and the length of time that the relationship has existed.
- The environment – the wider context including the market structure, the dynamics of the relationship, international impact on the buyer or seller, and market channels (Håkansson 1982, pp.15-23).

Figure 3.2 – The IMP Interaction Approach Model



Source: Developed from Håkansson (1982, p.24)

Kern and Willcocks (2002, p.6) conclude that the model has proven robust enough to be applied to a wide range of different inter-organisational relationships and they used it as a guiding structure in their qualitative enquiry into IT outsourcing relationships. Metcalf et al. also used the IMP model as the basis for their work to ‘operationalise’ the constructs and test them in buyer-seller relationships of the business markets in the US (Metcalf et al. 1992). On the basis of this prior use, the IMP Interaction Approach Model was employed in this thesis as the basis for a framework for organisational relationships.

Relationship outcomes

In their paper on inter-organisational innovations, Mandell and Steelman (2003, pp.205-9) provided a list of relationship constructs, including information sharing,

problem orientation, commitment to goals, and governance. The complete list of constructs is provided in the Appendices at Table C.1. Two of Mandell and Steelman's constructs stand out from the principles of collaboration already discussed. These are 'problem orientation' and 'intensity of linkages'. Problem orientation in this thesis is seen in the context of efficiency; this would mean less outages and a better standard of service for the public sector, and the potential for higher profitability for the private sector. So the added value from collaboration may be as simple as providing an outcome of better products and services, which benefits both parties. Linkages between the parties are described as the level of mutual interdependence, reinforcing the notion that certain outcomes could not be achieved without the other party.

The Technology in Government (CTG) is a collective of field researchers in Europe, Canada and the USA who studied a number of public service projects with an aim of uncovering how new organisational structures were designed, managed, and performed. Through a series of 12 international case studies conducted over two years, the Centre for Technology in Government (2004, pp.1-5) concluded that there were four critical success factors in relationships: communication and coordination, leadership, trust, and risk management. The complete table is provided at Table C.2. Two of these constructs are similar to those of Mandell and Steelman (problem-solving and trust), but they highlight leadership, as distinct from governance which also encompasses processes and procedures. Leadership they state needs to be mutually reinforcing, which would potentially be a difficult task given the disparate environments of the public and private sectors. This construct may require senior managers to have had prior experience in both sectors, or for secondments to be available.

Houldsworth and Alexander (2005, pp.211-5) studied collaboration between partners who worked on major projects. Given this basis of the study, it is not surprising that the relationship constructs include project-style factors such as shared language, strong focus, geographical proximity, and face-to-face meetings. The major constructs as described by them as - 'Why collaborate?' and 'What works?' are provided at Table C.3. A comparison of the constructs is interesting, for example their use of 'task focus' compared with 'shared problem orientation' from Mandell and Steelman. Task focus envisages the project management methodology of clearly describing roles and responsibilities for all

parties, and having the tasks completed on a strict time schedule. Shared problem orientation would be the opposite of this, where tasks arise, are considered jointly, and implemented jointly using the best resources from either organisation.

In a study that explored the delivery of Australian public services, Keast and Brown (2006) concluded that the various service providers had come to the realisation that overcoming current difficulties required working together in new and innovative ways. They were specifically looking at networked service delivery arrangements, and concluded that through the joint working of several agencies (including sharing offices), professional and personal relationships and trust built up over time to the extent that members were able to work 'outside the box', and implement a number of joint projects that would not have been possible otherwise. Keast and Brown (2006, p.46) reported that the following factors assisted in the networking of the organisations:

- the establishment of a network coordinator to drive the new arrangements,
- the development of a Memorandum of Understanding – interpreted as a non-binding commitment to the relationship,
- the establishment of a pool of funds to encourage relationships, and
- the co-location of staff.

Interagency Collaborative Capacity (ICC) is a ten-platform model developed by Bardach (2001, pp.152-5) which he contends is a virtual organisation of its own. This notion is an astute observation, as it creates the sense of the combined commitment required that is outside the boundaries of either organisation. Other commentators hint at the notion of the creation of a virtual organisation, but they do not express it as definitively as Bardach. Bardach's platforms are listed at Table C.4, and recognise the need for intellectual capital, and the implementation network, to progress collaborative action. The implication is that successful beneficial outcomes would not eventuate without the commitment of resources capable of innovative thinking, and the supporting machinery to progress the actions.

Prahalad and Hamel (1990, pp.80-81) state that the real source of competitive advantage through collaboration was management's ability to bring together corporate technologies and production skills into core competencies. In addition, it was the core competencies that empowered the business to adapt to changing opportunities:

Core competence does not diminish with use. Unlike physical assets, which do deteriorate over time, competencies are in heads as they are applied and shared. ... Competencies are the glue that binds existing businesses. They are also the engine for new business development (Prahalad and Hamel 1990, p.82).

Trust, collaboration, and knowledge sharing was explored by Black et al. (2002) in a public-private project that was implementing a new information technology system. They had the role of facilitating the project work, and determined that their facilitation design was crucial in the promotion of knowledge sharing, collaboration, and trust and, through these, the successful completion of the project. They also determined that high levels of initial knowledge about the other party leads to higher levels of trust and engagement which in turn promotes more intensive collaboration, higher productivity, and thus an earlier conclusion to the project (Black et al. 2002, p.5).

Given that the IMP Interaction Approach Model considers internal factors of the parties, it is useful to link this model with that of other researchers looking at cooperation between individuals and groups. Axelrod and Hammond (2003, pp.2-7) researched ethnocentrism, which they state is a nearly universal syndrome of attitudes and behaviours which explains the favouritism within groups and the hostility to external groups. They list a number of well-validated findings from the literature, including:

- when individuals see themselves as members of a group they are more likely to contribute to collective welfare even at the cost of individual advantage; and
- favouritism within the group and hostility towards external groups tends to be stronger in competitive situations.

Beech and Huxham (2003, pp.30-32) take this focus on individuals and groups further by researching the relevance of identity in inter-organisational collaboration. Within the complexities and approaches to identity theory, they suggest that social identity theory is concerned with the nature of group membership and categorisation of individuals. Individuals might be members of in-groups who interact more frequently with each other and hence share unique structures, or are members of out-groups. They suggest that to function effectively within the collaborative environment,

individuals need to have high mutual trust, a degree of power-sharing and a commitment to the collaboration itself.

Supply Chain Management

In business-to-business markets, practices such as customer focus and relationship marketing have led to the development of marketing theories such as Key Account Management (KAM), and Supply Chain Management (SCM). In recent years SCM has been moving from a focus on least-cost transactions to a focus on long-term relationships with a few key suppliers, and as a result, converging with the study of KAM (Ryals and Humphries 2007, p.312).

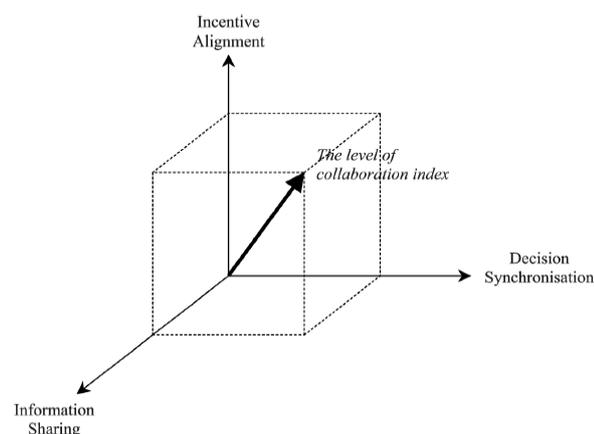
SCM originated in the private sector production arena and is notable for its processes such as just-in-time manufacturing. Research in SCM historically focussed on different approaches to measure the synergy and synchronisation between the parties in the supply chain (time, cost, quality, and processes etc.), with a conclusion that supply chain relationships are complex and problematic (Boddy et al. 2000, pp.1004-5). There is also the suggestion that the focus of SCM should have been on the management aspects of the relationships, rather than the metrics of the operations (Ryals and Humphries 2007, pp.314-5). This last point links to the contention of this thesis in separating the structural arrangements that have a management focus on the metrics, with the organisational relationships where the management focus is on relationship outcomes.

This thesis argues that governance perspectives of a supply chain are directly applicable to public-private sector ICT outsourcing, as the business unit in the public sector agency that is the ultimate user of the IT services would usually not engage directly with the private sector provider. As verified in the case studies, it is normal for an IT Management Unit (ITMU) within the public sector agency to interface between the business unit and the private sector supplier. Unfortunately, as each participating party in a supply chain would normally work towards maximising its own benefits, there is normally a sub-optimal outcome in the overarching supply chain. Collaboration within the supply chain has the potential to optimise individual performance and the overall virtual enterprise performance (Bititci et al. 2004, p.258).

In a review of supply chain literature, Barratt (2004, pp.35-9) describes a number of the constructs required in supply chain management relationships, specifically, to support collaboration. The complete list (provided in Table C.6) is comprehensive and includes factors that emphasise the need for a relationship where the boundaries of responsibilities are removed. The constructs of the relationship include information exchange, process alignment, joint decision-making, openness and honesty, and mutuality.

A model for measuring the level of strategic alliance within a supply chain was developed by Simatupang and Sridharan (2005, pp.46-7). Their study developed an instrument to measure the extent of collaboration within the constructs of information sharing, decision synchronisation, and incentive alignment. The Collaboration Index score was simply the mean scores of the three dimensions of collaboration for the supply chain members (Figure 3.3).

Figure 3.3 – Simatupang and Sridharan’s collaboration index



Source: (Simatupang and Sridharan 2005, pp.46-7)

This method of exploring collaboration was considered for use in this thesis, but was rejected on the basis that the model limited the inclusion of other potentially important constructs of collaboration that might be identified at interview. The structure of this model also assumes that the three constructs are equally weighted, which may also be difficult to substantiate. A further research project might consider whether a simple model of three seminal constructs—whatever they might be—may be sufficient to gauge the level of collaboration and produce similar findings to a more complex model.

A set of organisational relationship constructs was developed by Skjoett-Larsen et al. in their research into Collaborative Planning, Forecasting and Replenishment (CPFR) within the supply chain industry (2003, p.537). CPFR is divided into three levels, depending on the integration and the extent of the collaboration:

- Basic CPFR - only involves few business processes and a limited integration with trading partners;
- Developed CPFR - is characterised by increased integration in several collaboration areas; and
- Advanced CPFR - in addition to the data exchange that occurred in developed CPFR, collaboration now deals with synchronising the dialogue between the parties.

The concept of the CPFR levels directly aligns to the notion of the collaboration continuum, commencing with basic CPFR which the researchers state has a transactional type of relationship, no discussion or synchronisation, and minimum sharing of information. Basic CPFR would align most closely to a competitive market relationship. The organisational relationship constructs developed by Skjoett-Larsen et al. for CPFR are provided at Table C.7.

In summary, the literature argues that the provision of services within a public sector agency approximates a supply chain, and that collaboration within the supply chain has the potential to optimise the performance of the individual parties and the overall virtual enterprise performance.

Consolidated constructs from SCM data are provided at Table C.8.

Key Account Management

To the supplier, a key account is a customer identified as being of strategic importance, often involving the customisation of products and services or special pricing and distribution methods (Ryals and Humphries 2007, p.312; McDonald et al. 1997, p.737). The literature indicates the growing importance of developing key accounts and long term relationships as a means of establishing benefits for both parties.

Supplier and customer perspectives on important factors in key account relationships were examined by McDonald, Millman, and Rogers, and their findings on important relationship constructs provided in Table C.9. The key account constructs are much more 'sales' or commercially oriented than constructs identified in the previous sections, and include constructs such as quality of product/service, understanding of the other's business and 'Business environment', and ease of doing business (1997, pp.747-8).

Ryals and Humphries (2007, pp.318-21) explored recent developments in SCM where the focus is now on longer-term relationships, against the traditional KAM model. They (Ryals and Humphries 2007, p.315) built on SCM research by Humphries and Wilding and established an overlap between SCM and KAM Relationship Dimensions. The finding of Ryals and Humphries is provided in Table C.10. In this melding of the SCM and KAM models, the constructs have a distinctly business focus, including constructs such as value, trust and reliability, flexibility, and relationship stability.

In summary, the KAM constructs drawn together under similar themes in Table C.11 show that these have a business and commercial feel to them.

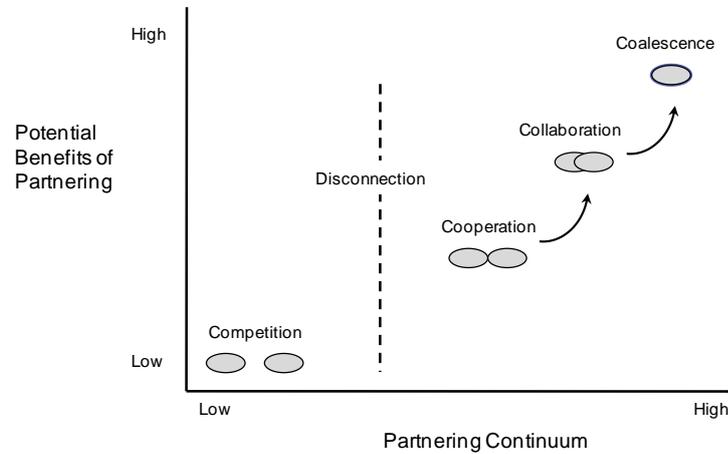
Longitudinal change in relationships

Much of the literature on organisational relationships suggests that organisations have the ability to make their relationships successful over time. However, there is a wide disparity of views from researchers who conducted a longitudinal examination of relationships. The views varied from those who appear to make the assumption that organisational relationships do not vary at all over the contractual term, to those that suggest that relationships develop in a linear or evolutionary manner, and those in between who suggest that relationships succeed, fail or become dormant in no particular order (Bardach 2001; Polonsky et al. 2003; Smith Ring and Van de Ven 1994; Thompson and Sanders 1998; Yao and Murphy 2005).

Thompson and Sanders (1998, pp.74-7) describe collaboration as being within a partnering continuum containing four definitive stages, each of which represents a new level of alignment between the two organisations. Their concept is that organisational relationships progress from Cooperation, to Collaboration, and finally to Coalescence.

They define Competition as the absence of partnering and in their illustrative concept (Figure 3.4), a disconnection was shown to separate it from the other three stages.

Figure 3.4 – Partnering Continuum



Source: Thompson and Sanders (1998, p.74)

The stages along the partnering continuum are:

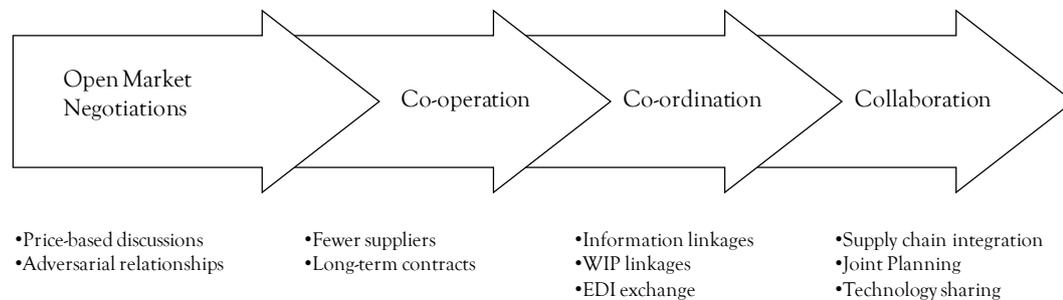
- competition – the traditional approach in the absence of partnering;
- cooperation – an approach focused on reaching agreement through compromise;
- collaboration – achieving process improvements through teamwork; and
- coalescence – re-engineering processes to fit the application.

Thompson and Sanders (1998, pp.74-7) also determined a set of characteristics that described each of the four stages. These characteristics are presented in Table C.12.

With a focus on Supply Chain Management, Spekman et al. (1998, pp.630-31) describe the transformation of the relationship between buyers and sellers from working in isolation to where the performance of both is inextricably linked. The objective of the transformation is to be able to share the benefits of breakthrough changes and improvements resulting from the expertise of the parties, specifically that collaboration is an inter-organisational phenomenon, and that it is a positive form of inter-working for mutual benefit.

To further explain the transformation sequence, Spekman, Kamauff, and Myhr, provide a transition concept (shown at Figure 3.5) that has marked similarities to the partnering continuum of Thompson and Sanders.

Figure 3.5 - The transition from open-market negotiations to collaboration



Source: Spekman et al. (1998, p.634)

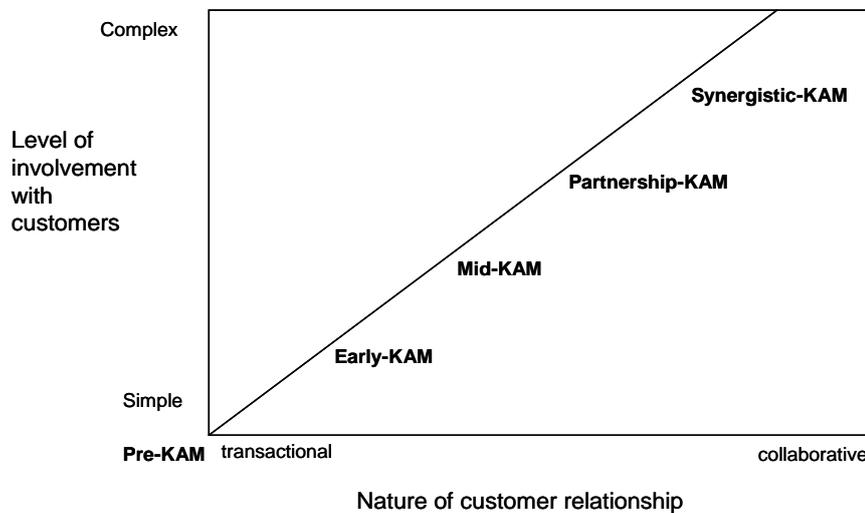
The common themes, particularly on information sharing in the quotation below demonstrate the analogous thinking of the commentators but also the difficulty of drawing the themes together as a concise text.

Effective supply chain management in the new competition suggests seeking close, long-term working relationships with one or two partners (both suppliers and customers) who depend on one another for much of their business; developing interactive relationships with partners who share information freely, work together when trying to solve common problems when designing new products, who jointly plan for the future, and who make their success interdependent. (Spekman et al. 1998, p.635)

The comment on relationship success being based on ‘suppliers and customers who depend on one another for much of their business’ is also notable as it reinforces how diametrically opposed this notion is to a competitive/control environment where the parties are seeking to manage their own outcomes, independent of the other.

Key Account Management was also discussed in the literature from a longitudinal perspective. McDonald et al. state that KAM is a long-term activity which could span a 10-year term from the identification of a prospective partner to the achievement of the full scope of the relationship (McDonald et al. 1997, p.742). The concept of KAM development against increasing involvement with the customers is shown at Figure 3.6. Explanations of the KAM points are described by Millman and Wilson below.

Figure 3.6 – Key account relational development model



Source: McDonald et al. (1997, p.741)

The axis naming in Figure 3.6 is notable, being from transactional to collaborative, and simple to complex. A transactional relationship links to the notion of having a competitive environment where the focus is on commodity purchasing at the best price. McDonald et al. see this as a simple level of involvement with the customer, with the potential to take the relationship through to being complex and collaborative. It is interesting to consider whether the development of a relationship in this manner would ever be able to occur within a public sector outsourcing environment. Even though processes such as benchmarking could demonstrate that value for money was still being obtained, competition policy, transparency, and industry development objectives of government procurement policy may still require the scope of work to be market tested, rather than continuing the relationship with a single supplier.

Millman and Wilson (1995, pp.12-4) followed this same notion and developed a six-stage model of the key account constructs that built on findings from other researchers. Their six stages are:

- Pre KAM. The identification of customers that have the potential to be key accounts.
- Early KAM. Exploring opportunities and identifying motives, cultures and concerns of the customer's account. Tentative adaptations may be made to the seller's offer at this stage to better match the buyer's requirements.

-
- Mid-KAM. The level of trust develops in line with the importance of the account.
 - Partnership KAM. This is a mature stage of the relationship and the supplier is often provided a trusted status in the sharing of sensitive commercial information.
 - Synergistic KAM. This is an advanced stage of maturity where there is a fundamental shift in attitude. The buyer and the seller both see themselves as part of a larger entity, and creating joint value.
 - Uncoupling KAM. It is recognised that even successful relationships will need to be dissolved, and that there is a need for an uncoupling process and contingency planning.

In summary, consolidating the constructs from longitudinal studies, apart from one additional construct, the ideas and concepts developed by Spekman et al., McDonald et al., and Millman and Wilson, mainly served to reinforce the partnering continuum provided by Thompson and Sanders. For completeness however the consolidated constructs from all the longitudinal studies identified, are provided at Table C.13.

Summary

This section identified ideas and concepts from the literature on constructs of organisational relationships that were regarded as fundamental to defining the relationships. This information is used in Chapter 4 (Research Methodology) to establish the Initial Framework for an organisational relationship model to be tested and further developed during the case studies. Prior data was identified and presented using a tabular template obtained from the Interaction Approach Model.

Consolidation of the identified literature data was a challenge since some constructs were similar but not the same, and a final list was being sought that was generic across the four themes, without including constructs that were specific to any one of them. Table 3.4 provides the consolidated list of factors identified from the literature that define an organisational relationship. For the sake of presentational clarity, only the constructs are listed. The characteristics of the constructs, and specifically where these characteristics describe points along the outcome continuum, remain as detailed in the previously consolidated tables in Appendix C.

Table 3.4 – Final consolidation of the organisational relationship constructs

Construct Group	Constructs
Interaction process	<ul style="list-style-type: none"> • Quality of product/service – meet the requirements of the buyer and the capabilities of the supplier. • Information sharing – covers the range from no sharing to open disclosure through joint and automated systems. • Financial – encompasses value add and potential for profit through volume of sales and efficient tasking and problem solving. • Communication and shared language – parties need to have frequent contact and all levels for innovative problem-solving.
Parties	<ul style="list-style-type: none"> • Business focus and objectives – encompasses having common outcomes that cover strategic improvement and innovation. • Interpersonal relationships – the personalities and ability of the people to create linkages which may be assisted through contact outside core roles. • Governance – the coordination, synchronisation and common processes of the parties needs to be aligned and continually monitored. • Leadership – there is a strong need for senior management to drive and facilitate the relationship, and manage risk. • Providing incentives and alignment across the party boundary – the alignment of people and organisational goals across the boundaries and the removal of obstacles that inhibit broad participation. • Quality, and skills of people – includes the people’s knowledge of requirements and product/service, and their buy-in to the success of the relationship.
Atmosphere	<ul style="list-style-type: none"> • Type of relationship – describes the range from control (competitive) to the parties understanding that they are mutually interdependent. • Integration of cultures and ease of doing business – ranging from a potentially coercive environment to having shared authority and the parties mutually re-enforcing each other. • Measurement and evaluation systems for projects and the relationship – encompasses the capacity for learning and continuous improvement. • Trust, reliability and integrity – moving from a control/defensive position through to honest and open discussion on risk and risk allocation. • Degree of discussion – decision making, seeking help, problem sharing, and transferring knowledge.
Environment	<ul style="list-style-type: none"> • Business/political/social environment – arising from the complexity of purpose ... ranging from simple outcomes to complicated joint objectives. • Status that comes with the relationship.

Gaps in current knowledge

The literature review revealed that there are gaps in research knowledge on public-private relationships, outcomes sought from the relationships, and specifically outcomes currently sought from relationships in the ICT outsourcing programme.

Whilst the literature broadly recognises the dynamics of strategic management, and economic and social factors that may impact on organisational relationships, there is a relative lack of empirical studies that focus on the elements of organisational relationships, and there is inconsistent treatment of associated constructs. Many research studies do not describe relationship constructs in sufficient detail to permit collation and comparison of the findings. In studies where public-private relationships are considered, the public sector is often portrayed as a 'policy' body, and the differences between the two organisations highlighted to assist a conclusion that the disparity between the sectors is a major reason that they cannot work cooperatively. In fact, some public agencies are 'service related' and they may have a different approach to a relationship with the private sector than a policy agency has.

Most pertinent for this thesis, commentators discuss the transacting of goods as a business-to-business relationship, in other words, private sector to private sector, they do not include or cover differences that may be present in transactions between private sector and public sector. Moreover, the subtleties of transacting combinations of goods and services (encompassing contracting and consulting services) with the public sector is very rarely clarified.

Although there is a wealth of management literature on strategic partnering and alliances, and partnering was an often-discussed concept in ICT outsourcing, there was little literature on the outcomes sought in ICT outsourcing relationships, particularly public-private relationships. In addition, many ICT outsourcing studies usually take a one-sided research perspective of relationship outcomes, usually that of the purchaser, and have not considered a dyadic review of the relationship, as is necessary to research collaboration.

Chapter summary

The purpose of this Chapter 3 was to identify prior research constructs on collaboration, outcomes sought by the ICT outsourcing programme, and a framework for an organisation relationship. The identified literature on ‘collaboration’ established that collaborative approaches were sought by organisations as a means of overcoming increasingly complex performance challenges. Definitions of collaboration found in the literature identified a set of principles which are used in establishing a definition of collaboration for use in this thesis.

Literature on the outcomes being sought from outsourcing initiatives showed that cost savings comprised the principal outcome being sought at the introduction of the Australian ICT outsourcing programme. A main objective of the chapter was to identify prior research that could be used in Chapter 4 to establish a framework for an organisational relationship. This was achieved using the Interaction Approach Model as the basis for the collation of data taken from the research themes of:

- studies with a focus on collaborative outcomes,
- Supply Chain Management,
- Key Account Management, and
- longitudinal development of relationships.

The final section of the chapter was a discussion on gaps identified in the current knowledge. For the purposes of this thesis, the main gap was the lack of empirical research on models of organisational relationships. To assess strategic collaboration, this research required a model of a public-private relationship that detailed collaborative outcomes in a way that it could be measured and tested in the case studies. There is a wealth of literature on constructs of organisational relationships, but there is inconsistent treatment of the constructs, and no detailed description of them, particularly on how that might vary for different collaborative outcomes.

Chapter 4 – Research methodology

Unless you can convince your audience(s) that the procedures you used did ensure that your methods were reliable and that your conclusions were valid, there is little point in aiming to conclude a research study.

(Silverman 2001, p.254)

This Chapter 4 describes the methodology used in the research. The structure of the chapter follows a logical path from a presentation of the research topic and objectives, discussion on the philosophical assumptions used, through the research methods and data collection techniques, to the data analysis. The chapter concludes with an explanation of the choice of cases studied.

Research topic, question and objectives

The research topic that this thesis is addressing, is whether the public sector is seeking benefits from its relationship with the private sector, over and above those benefits achieved through traditional government procurement practices. The research reflects recent academic and practitioner comments that the public sector does not have collaborative relationships with the private sector, and it should establish this type of relationship to improve the provision of public services. This is an important topic given the central role of government procurement in helping to optimise government expenditure, for tax-payer advantage. In addressing the research topic, the thesis poses the research question on why the public sector is not establishing relationships with the private sector in the Australian Government's ICT outsourcing programme that would achieve strategic collaboration.

The research might have been based on the procurement by government of major goods and services. However, due to the global significance of the ICT industry, the growth of ICT expenditure in the public sector, and the potential for any benefits to flow through to the provision of public services, i.e. creating a public good, this study specifically assessed strategic collaboration in public-private relationships in the Australian Government's ICT outsourcing environment.

The research topic, question, and objectives are also informed by the literature review and the identified gaps in knowledge. This thesis seeks to assist in addressing these gaps.

The research topic is:

An exploration on whether the public sector is seeking benefits from its relationship with the private sector, in addition to those benefits achieved through traditional government procurement practices.

The research question is:

Why isn't the public sector establishing relationships with the private sector in the Australian Government's ICT outsourcing programme, that achieve strategic collaboration?

The associated research questions are:

1. What are the defining constructs of an public-private relationship in the Australian Government's ICT outsourcing programme?
2. What is collaboration, and specifically, what is strategic collaboration in public-private relationships?
3. How can collaboration in public-private relationships be measured?
4. What was the original, and principal outcome, sought from the private sector in the Australian Government's ICT outsourcing programme?
5. How can the current outcome sought from the private sector, in the Australian Government's ICT outsourcing programme, be measured?

The research objective is to develop a model for public-private organisational relationships that is applicable to Australian Government ICT outsourcing, and then assess the research question using this developed model.

Theoretical considerations

The premise of the research is that behaviour that adds value to organisational relationships is created by the actions of employees and their associated organisations, and as such, is socially constructed. The knowledge sought in the research is derived

from these routine (everyday) situations, and is the interpretive understanding of the employees about the organisational relationship at its widest meaning.

Denzin and Lincoln (2003, pp.33) describe all research as interpretive, with an underlying set of assumptions that makes particular demands on the researcher. They state that the four major interpretive paradigms for qualitative research are: positivist and postpositive, constructivist-interpretive, critical, and feminist-post-structural. Practical guidance of the selection of appropriate interpretive paradigms is provided by Lincoln and Guba (2003, pp.257-9), and from this, a constructivism position was chosen as best suiting this research, as it aims to create understanding and reconstruction of the knowledge that is individually constructed. Note that in many texts, constructivism is used synonymously with interpretivism, constructivist, and interpretivist. Constructivism is also regarded as an epistemology, with interpretivism as a theoretical perspective within it.

The social constructivism position on knowledge is that the social process of people or groups of people interacting creates meaning (Berg 2004, p.9; Creswell 2005, p.9; Denzin and Lincoln 2003, pp.33-4). Berg further describes how meanings are used to produce realities, but since these realities are related to how people create meanings, reality becomes interpreted. Berger and Luckmann (1966, pp.2-3) also argue that knowledge is derived from and maintained by social interactions. They say that when people interact, they do it in the understanding that their view of reality has common elements, and as they act upon this understanding their common knowledge of reality becomes reinforced. This is described as contextual constructivism by Spencer et al. (2003, p.50). This issue was particularly relevant when considering the subjectivity of the researcher, as contextual constructivism would reinforce the common knowledge of the researcher and the interviewee, thus limiting research validity. Berger & Luckmann (1966, pp.51-3) also contend that institutions, by the fact of their existence, control human conduct. This occurs, they say, because predefined patterns of conduct are established which channel human conduct in one direction.

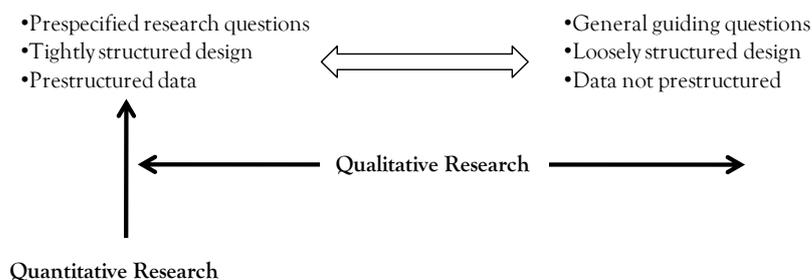
The comments on institutionalised reality by Berger and Luckmann were also relevant to this study as the organisational issues were expected to be complex. Thus, even though it was understood that the nature of the knowledge would be socially

constructed, there was also a need to understand the impact that the various institutions would have on the knowledge.

Research methods

Qualitative research is described as ‘... the studied use and collection of a variety of empirical materials ... that describe routine and problematic moments in individuals’ lives’ (Denzin and Lincoln 2003, pp.4-5). Denzin and Lincoln further suggest that qualitative researchers will necessarily need to employ a wide range of interconnected interpretive practices to get a better understanding on what is actually happening. This diversity of methods is also illustrated by Punch (2005, pp.23-4) in Figure 4.1.

Figure 4.1 – Diversity of methods used in qualitative research



Source: Punch (2005, pp.23-4).

Creswell (2005, p.43) and Punch (2005, p.141) describe what they believe are the major characteristics of qualitative research. The first is a preference to study people, things and events in their natural settings with the objective of explaining how people in particular settings come to understand, account for, and manage, their day-to-day situations. Secondly, that the study should be conducted in the real-life environment so that it is reflective of everyday events of the individuals or groups. Next, the researcher’s role is to gain a complete view of the context/scope of the study and whilst the researcher may isolate certain themes for review, the data is always maintained within its original context. Lastly, qualitative research recognises that there will be many interpretations of the data collected, however some are more compelling than others.

Qualitative research might then be summarised as a collection of methods applied in a manner to permit the analysis (within an appropriate interpretive paradigm) of issues

in a natural setting that is reflective of the perceptions of the respondents. This section discusses the choice and suitability of methods used in this research.

Qualitative interviewing

Silverman (2005, pp.111-2) describes what he calls the *interview society*, where interviews are a central feature of current mass media and as a result interviews appear central to making sense of our lives. He suggests that this may explain why there is a propensity for qualitative researchers to use interview methods.

Interviewing is justified in this research on the basis that in-depth interviews are necessary to elicit and probe interviewees' perceptions of reality. Other research methods such as surveys (quantitative/mixed methods research), and direct observations would not permit the degree of scrutiny and corroboration of research data available through a regime of individual and group interviews moderated by the researcher. The subject knowledge of the researcher strengthened the interview method in being able to draw-out, clarify, and scrutinise interviewee responses.

The use and benefits of semi-structured interviews and open-ended questions are well covered in the literature (Fontana and Frey 2003, pp.61-2; Grix 2004, p.127; Punch 2005, pp.169-74), essentially providing the benefits of allowing a degree of flexibility; allowing the pursuit of unexpected lines of inquiry during the interview; and opening up other avenues of investigation. These methods were employed for individual interviews, followed by a second-stage group interview both to confirm the data from the individual interviews, and to further seek wide meaning and interpretation of the topic (Fontana and Frey 2003, pp.71-3). The sequence of interviewing, each being recorded for later verbatim transcription, was:

- pilot/exploratory study – individual interviews to confirm interview questions and commence gathering in-depth data;
 - individual – to explore individual understanding;
 - group – to capture the widest range of meaning and interpretation, and to encompass large numbers of respondents if required; and
 - follow-up interviews – with specific respondents to capture remaining data and to clarify understanding on data already obtained.
-

Flowing from the prior discussion on the creation of meaning and knowledge, the research methods aimed to reduce the influence of the interviewee's interpretation of reality based on data points outside reality, and capture the data points inside reality that are unknown or not used by the interviewee in interpreting reality.

Different interviewing techniques were investigated in considering an appropriate research approach. Convergent Interviewing is an emerging qualitative method that claims to be most suitable for under-researched areas, including strategic investigators and those involving relationships between trading partners (Roa and Perry 2003, pp.236-7; Williams and Lewis 2005, pp.219-20). The inductive approach of this technique was compelling, particularly given the lack of extant models of public-private organisational relationships, however it was eventually discarded given that the suggested interview sample size should be one percent of the population and as a minimum not less than twelve interviewees per organisation (Roa and Perry 2003, p.241). Given the nature of the knowledge, this would require at least twelve interviewees from each organisation and therefore the potential for at least 84 interviews across the seven organisations. This was too many interviews for this project where there was only one researcher, and the use of convergent interviewing not considered further.

After considering the most appropriate methodology, it was concluded that whatever approach was chosen, there needed to be an extensive literature review to draw as much relevant data as possible from which to base the research.

Case studies

The research is seeking to understand the personal and organisational reasoning behind the underlying building blocks of public-private relationships, and to use this knowledge to explore the veracity of the statements by commentators that the public sector is not establishing relationships that engender strategic collaboration.

The fact that the data sought is the interpretive understanding of organisational relationships by the participants, dictates the collection of research-generated (interview) data, rather than collecting naturally-occurring data from direct

observations. Whilst qualitative interviewing addresses many of the issues raised by the nature of the knowledge, it does not provide guidance on the overall strategy for the type of question being posed, or the extent of control a researcher has over events. Yin (2003, p.13) defines a case study as, ‘... an empirical inquiry that investigates a contemporary phenomenon within its real-life context, especially when the boundaries between the phenomenon and context are not clearly evident’. He also suggests that ‘How and Why’ questions are more likely to lead to the use of the case study method, particularly where there is a focus on contemporary events (not history), and where the researcher has little or no control over the event (Yin 2003, p.5).

Various commentators provide differing definitions for the types of case study; however the concepts are fundamentally the same. The views of Stake (1998, p.88), Berg (2004, pp.255-6), and Creswell (2005, pp.439-40) were found to be the most useful and relevant to this study in describing applicable case study methodology. An intrinsic case study is the study of a particular or unusual case, whereas an instrumental case is used to provide insight into a separate issue and the case is of secondary interest. A collective case is a widespread study involving several instrumental cases and is intended to better understand a broader context. A collective case study methodology was considered as most appropriate for this research.

The question then became whether the case study and qualitative interviewing methods are compatible and suitable for the research. Table 4.1 lists the major characteristics of qualitative research and indicates whether the case study or qualitative interviewing methods achieve these.

Table 4.1 also demonstrates that the Case Study and Qualitative Interviewing methods comprehensively cover all of the characteristics of qualitative research, and in addition are able to complement each other in areas where one method either provides no guidance or does not provide a technique that will ensure research validity.

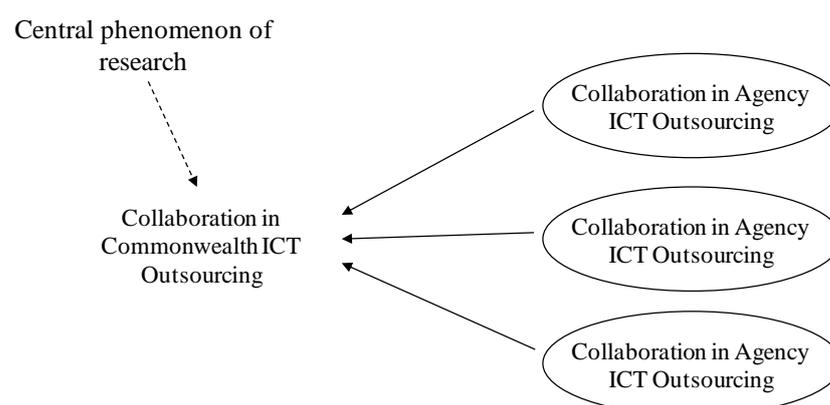
Table 4.1 – Suitability of methodologies for this research

Major characteristics of qualitative research	Case Study	Qualitative Interviewing
People, things, and events studied in their natural setting.	✓ (noting though that the case may be secondary to the issue being studied)	✓ (interview process considers appropriate setting and reducing the impact of the interviewer)
Results reflective of everyday events.	✓ (noting again that the case may be secondary to the issue being studied)	✓ (combination of individual 'face-to-face' and group interviews used to ensure life situation is unbiased)
A holistic view of the scope/context is obtained.	✓ (scope/context validated through alternate data sources)	✗ (respondents are the only guide to whether the whole scope is covered)
Data reflects a view 'from the inside'.	✗ (no guidance on the perception of data e.g. size and appropriate sample of respondents)	✓ (focus group used to ensure unbiased perception)
Data is maintained within its original context.	✓ (case bounds the context)	✗ (respondent answers could lose original context)
Research objective is to explain how people in a particular setting, come to understand, account for and manage their lives.	✗/✓ (partially, but only the 'how and why' questions covered)	✓ (no restriction on the who, what, where, how many or how much questions)
Data can have many interpretations, some are more compelling.	✗ (no guidance on the interpretation)	✓ (construct and internal validity enhanced via multiple interviews following a chain of evidence)

The case either relies on multiple sources of corroborated evidence or leverages off the prior development of a theoretical position which is used to guide data collection and analysis. This concept coincides with Eisenhardt's (1989, pp.532-6) description of building theories from case studies. Using this methodology, potentially important constructs and characteristics of organisational relationships are identified from the literature, and then tested and further developed through interviews. Where collaboration constructs and characteristics come forward (were corroborated) through interview, they can then be used to ground the emerging theory. The largely inductive approach outlined by Eisenhardt allows the researcher to develop an understanding of the circumstances and environment of organisational relationships that supports collaboration.

To consider the collaboration phenomenon broadly across the Government's ICT outsourcing environment, the research approach explores collaboration in outsourcing relationships at the agency level, and draws conclusions that are independent of agency specific factors such as the type of agency, outsourcer, or type of ICT outsourcing contractual arrangement. Creswell (2005, pp.439-40) describes the study technique where multiple cases are described and compared to illustrate a particular issue, as a collective case approach. Figure 4.2 illustrates the collective case approach with the three case studies as used in this research.

Figure 4.2 – Collective case study approach

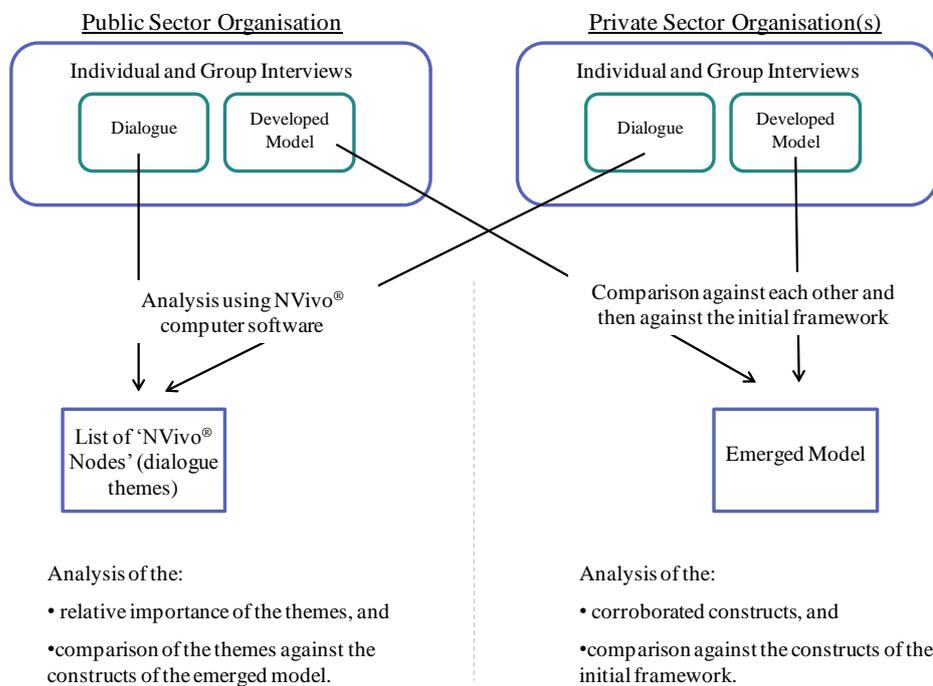


The method best fits the objective of evaluating organisational relationships within the Australian Government ICT outsourcing environment, independent of agency specific factors such as the type of agency, or type of ICT outsourcing contractual arrangement.

Data analysis

The final consideration is the method used in analysing the interview data. There are two main outputs (data) from the interviews, the Developed Model, and the transcribed interview dialogue. Although the Developed Model and the outcomes sought from the relationship were the principal items sought from the interviews, the general dialogue was important as it described important relationship themes and provided real life examples of how the themes impacted on the relationship.

Figure 4.3 – Data analysis



Analysis of the interview data was also instructive as the ‘Developed Model’ and the interview dialogue could potentially describe different outcomes. In other words, the interviewee could develop a particular model for an organisational relationship, and in their dialogue could describe factors that conflict, or are additional to their model. Whilst I was able to manage this situation to some degree—at the interview—by asking interviewees to clarify their responses, the separate analysis and comparison of the ‘Developed Model’ and the interview dialogue, added another level of research rigour.

The approach to the analysis of the interview dialogue and the ‘Developed Models’ was as shown in Figure 4.3. The ‘Developed Models’ (constructs and characteristics)

from the individual interviews, the principal output from the interviews, were compared to find common elements which were then replayed to all participants at the group interview. After final amendments and confirmation of the model at the group interview, the 'Developed Model' was substantiated against the 'Initial Framework' (developed from the literature) to form the 'Emergent Model'. The process of substantiation against the 'Initial Framework' corresponded to Eisenhardt's method of building theories from case studies.

Figure 4.3 also highlights the dyadic nature of the research methodology and its appropriateness for use in exploring the research question. Only data that is corroborated by both organisations is taken forward—in other words, a construct needs to be put forward in the Developed Model from both organisations—and the data from each organisation is weighted equally.

Analysis of the interview dialogue

Analysis of the dialogue was achieved with the assistance of a computer software tool called NVivo®. There is no claim that NVivo® adds rigour to the data analysis, however the reports obtained provide another perspective on the interviewee's view of organisational relationships which adds depth to the overall analysis of the case. Note that the 'themes' in the NVivo® reports are created by me, and are my description of what I thought that the interviewee was telling me. In most instances the 'themes' are different to the 'construct names' conceived by the interviewees.

Traditional content analysis is a method where researchers code data to a set of predefined, mutually exclusive and exhaustive themes (categories), to explore meanings in text, photos or any type of communication. Content analysis differs from grounded theory in that content analysis is normally used in quantitative analysis, and that in grounded theory the researcher has flexibility in creating themes 'on the fly' (Henwood and Pidgeon 1993, p.21; Bernard and Ryan 2010, p.287). Content analysis looks at frequencies of words or keywords, or spatial measurements, such as the length of a newspaper column devoted to a particular category of content (Bernard and Ryan 2010, pp.288-9). The difficulty with this method is that whilst it is easy to code for implicit words and terms, there needs to be judgements made on the establishment of

the categories. Where a researcher has prior experience in the research area, as is the situation with this research, judgements on the creation of codes could skew the analysis in the direction of the researcher's thinking, and hence lead to criticisms of not being totally objective.

Several commentators (Creswell 2005, pp.230-46; Silverman 2005, pp.149-58) suggest a more basic and inductive approach to data analysis involving an iterative method of reading through the data to first gain a general sense of the material, dividing the text into segments of information, and then progressively coding and collapsing the segments into themes. The themes developed were assessed for their relative importance (the number of times that the theme was mentioned at interview), and were also compared with the constructs of the Developed Models.

Analysis of the Developed Model

The Developed Models from the individual interviews of each organisation are consolidated into a single model which is then confirmed at the group interview. This consolidation process assisted in refining the constructs to specific matters and also in confirming that constructs introduced by individuals were factual and not over-stated, or under-stated. The result was a relationship model agreed by the group within each organisation.

After the model was refined from the group interview it was compared with the similar model from the other organisation(s) in the case, and finally evaluated against the Initial Framework. The objective of the process is to identify constructs corroborated by both organisations and match these against constructs of the Initial Framework. The end result at this stage is a relationship model that has been developed by the public and private sector organisations within the case, is reflective of their joint views, and is grounded against previous research literature through corroboration with the Initial Framework. The Final Model is developed through the cross-analysis of the models developed in each case (Chapter 8).

Validity of interview data

Methods bias is discussed by Ang and Straub (1998, pp.540-41) in their study of IS outsourcing. This is where interviewees may self-justify the benefits and outcomes, whilst underplaying the difficulties. The need to eliminate this type of bias was important for this study to ensure that interviewees (both public and private sector) did not attempt to justify management decisions that impacted the organisational relationship. Ang and Straub's technique to overcome potential bias was to not provide the interviewees with comparative information about their outsourcing environment, hence reducing the potential need to self-justify. This approach was applied in this study. Specifically, interviewees were told during the interview introduction that the quality of the organisational relationships was not being compared to others, and that the case Report they received would not contain any data from the other cases.

The next issue was that of the researcher's subjectivity or anecdotalism. The effect of this issue may have been to reduce the study's socially constructed view of reality, as determined through the lens of the interviewees. To overcome this problem of contextual constructivism, suggested techniques for Qualitative interviewing (Fontana and Frey 2003, pp.68-9) were employed:

- never suggest an answer, agree or disagree with an interviewee;
- do not give the interviewee any idea of your own personal view;
- never interpret the meaning of the question for the interviewee; and.
- never interpret an interviewee's response.

A final technique for ensuring that all data had been collected was the use of multiple methods or triangulation (Grix 2004, p.135; Silverman 2005, p.121). In this study, triangulation is implemented through individual and group interviews, and document analysis. The background knowledge of the researcher and understanding of data from previous interviews, allowed the researcher to ask interviewees to elaborate on certain points or ask questions on issues covered. This was an essential element in being able to keep the interviewees on topic and test the veracity of data points.

Documentary evidence was also important as previous researchers in outsourcing have found that vendors have been unwilling to be frank in interviews as this may endanger their relationship with their customers (Hancox and Hackney 2000, p.220).

Research approach

The research was conducted in three main stages: Literature Review, Case Studies, and Analysis, as shown in Table 4.2.

Table 4.2 – Research stages and associated tasks

Stages	Data collection tool	Purpose and associated tasks
Literature Review		<ul style="list-style-type: none"> • Confirm the nature of the problem. • Identify any new areas of investigation. • Re-confirm research methodology and approach. • Confirm the research questions. • Determine whether there are existing models of organisational relationships that could be used to evaluate collaboration. • Establish draft interview questions. • Select organisations for case studies. • Seek approval from organisations.
	Document analysis (provides first leg of data validity triangulation)	<ul style="list-style-type: none"> • Establish known information through literature review. • Confirm interview questions. • Select interviewees through purposive sampling. • Determine interview schedule.
Case Studies	Individual interviews (second leg of data validity triangulation)	<ul style="list-style-type: none"> • In-depth research of interviewee's knowledge through open-ended questions.
	Group interviews (third leg of data validity triangulation)	<ul style="list-style-type: none"> • Confirm data from individual interviews. • Establish widest range of meaning and interpretation. • Potential to cover large number of respondents if required.
	Ongoing high-level analysis used as feedback to the interview process.	<ul style="list-style-type: none"> • Inductive process – conclusions are drawn from the direct observations of the empirical evidence.
Analysis, and reporting		<ul style="list-style-type: none"> • Collation of interview data within each case study. • Comparison of public sector data against private sector with case studies. • Establish dyadic result for each case study • Cross-case analysis to establish findings against the research question. • Report (thesis) writing • Recommendations for future research.

The principal objective of the Literature Review stage was to confirm the validity of the research question and to ensure, as far as possible, that no other research had addressed the gap in knowledge identified in Chapter 3. There was also work done on validating the research approach, and seeking approval from potential organisations to participate in the case studies.

The second stage was the field work employing Case Study and Qualitative Interviewing methods. This stage comprised a logical sequence within each of the cases of engaging the organisations and then the interviewees, conducting the individual interviews and confirmatory group interviews, and finally conducting follow-on interviews required to close-out issues raised that were not clear. Analysis and report writing was completed in the third stage. Analysis was done on each case study in isolation, with an aim of establishing a dyadic (combined public-private) view of the results for that type of ICT sourcing strategy. The final cross-case analysis compared and contrasted the results from each case study, and identified patterns and themes that were common across the three sourcing strategies.

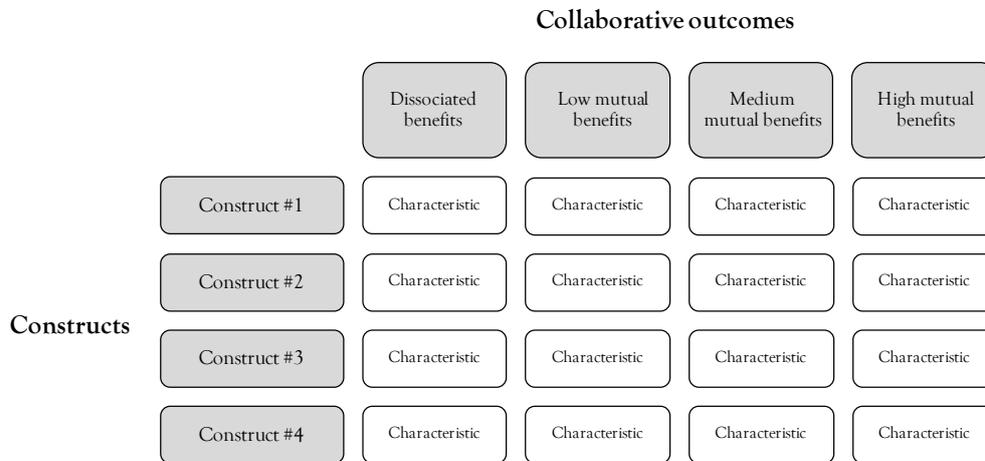
The field work

This section describes the conduct of the field work, specifically to explain the procedure used to implement the research methodology of building theories from case studies as described by Eisenhardt (1989, pp.532-6), and to explain several terms used to describe the field work procedure, prior to describing the procedure itself.

Relationship Framework

A framework for an organisational relationship was required as a template for interviewees to develop their own view of an organisational relationship, and for the analysis of the field work. The relationship framework as illustrated in Figure 4.4 was devised for this purpose, noting that the 'Collaborative outcomes' axis is explained in the following section titled, 'Four-step outcome continuum'.

Figure 4.4 – The relationship framework



The relationship framework is a table comprising relationship constructs on the vertical axis, and relationship outcomes on the horizontal axis. The four-step outcome continuum is further described in the next section, however, it represents the collaborative outcomes. The framework does not claim to be a comprehensive and definitive view of an organisational relationship since, as the literature indicates, relationships are complex and multi-dimensional (Thomson and Perry 2006, pp.23-4).

Four-step outcome continuum

The literature review in Chapter 3 identified a number of commentators who described the outcomes sought from organisational relationships, viz.: competition, networks, cooperation, coordination, collaboration, coadunation, and coalescing.

This thesis contends that there can be no definitive view for a typology of points along a continuum, as the number of points needs to suit the organisational relationship purpose for which it is being used, and any number of points might be described and named. For this thesis, the structure of points along the continuum is unimportant as what is principally sought are the characteristics of outcomes along the continuum. For the purpose of developing the initial relationship framework, the outcomes and characteristics identified in the literature (Table 3.3) are collated and refined at Table 4.3.

Table 4.3 – Outcome continuum

Outcome Name	Outcome characteristics
Control	Short term focus. Parties may have conflicting objectives and a coercive environment.
Cooperation	Project specific common objectives with improved relationships and multiple points of contact. There is shared information (low level) and mutual support, and parties join and disconnect with ease. The parties cooperate on one or more activities, but there are few resources committed.
Coordination	The inter-working structure is stable as a result of a more formal structure with some loss of autonomy. There are higher resource commitments, but still not on a long term basis. There are common tasks, and compatible goals have been developed.
Collaboration	There is a collective purpose and a long term (3+ years) focus with a significant resource commitment. There are integrated strategies, improved processes, shared authority and measures tied to team incentives. There may be written agreement on structure and processes.
Coalescing	One common performance measurement system, integrated cultures, implicit trust and shared risk. Unified structure and combined cultures.

Source: Developed from (Cigler 1999; Keast and Mandell 2009; Skelcher and Sullivan 2008; Thompson and Sanders 1998)

Although Table 4.3 was seen as accurately representing the views of the commentators identified in the literature, it was felt that a five-step continuum was overly complex for the purposes of this thesis, particularly given that interviewees would be expected to use this template for the development of their own model of a relationship. Secondly, it was felt that the use of typologies such as ‘control’ and ‘coordination’ may skew interviewees responses on the basis of the normative definitions of the words. Lastly, the outcomes characteristics identified from the literature are a generic description of the relationship at each outcome, these are of less benefit to this thesis where a description is being sought for the outcomes against each construct of the relationship. To overcome these concerns, a framework with only four outcomes was established, and the outcome names were generically described as:

- Dissociated benefits—representing the control outcome,

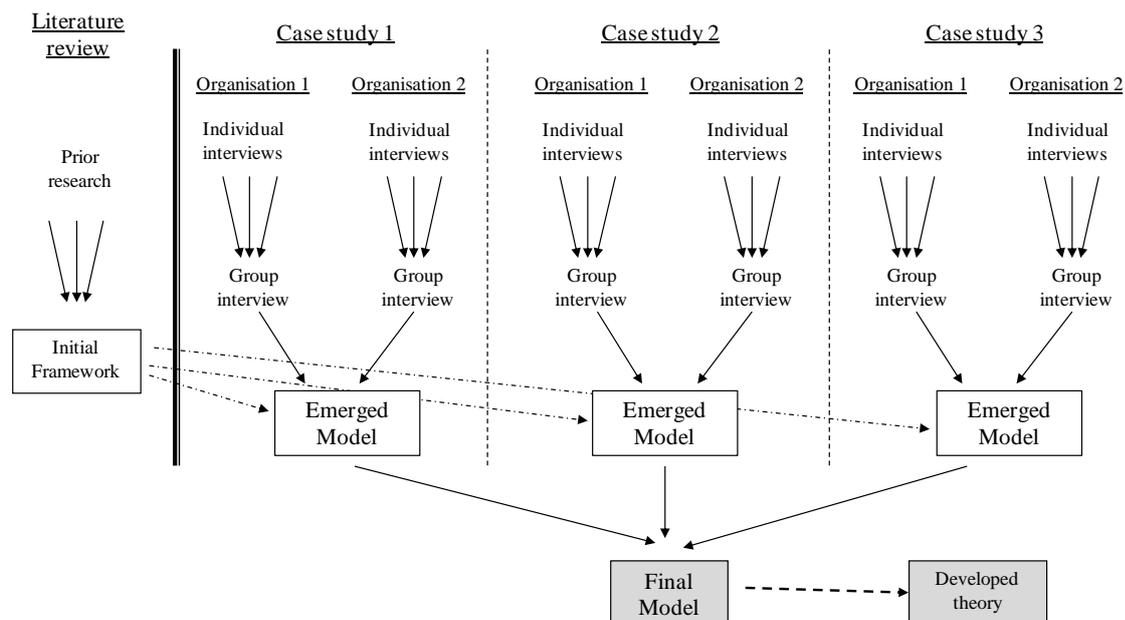
- Low mutual benefits;
- Medium mutual benefits, and
- High mutual benefits.

The four outcomes above link to the contention of this thesis that all outcomes from an organisational relationship are collaborative, the first outcome, 'Dissociated benefits', signifying tactical collaboration, and the last three outcomes, signifying strategic collaboration.

Initial Framework

The 'Initial Framework' is the relationship framework populated with prior research data identified during the literature review. Its purpose is to serve as a benchmark from which to compare and ground the organisational relationship models developed during the interviews. Where constructs and characteristics of the Initial Framework are corroborated by data from the interviews, they progress to become part of the 'Emerged Model' from the Case. The Emerged Models from each Case Study are analysed in the cross-case analysis and collated into a 'Final Model'. The roles of the Initial Framework, Emerged Model and Final Model are illustrated in Figure 4.5.

Figure 4.5 – Roles of Initial Framework, Emerged Model and Final Model



The procedure

The purpose of this section is to explain the procedure used in exploring the rhetoric, to demonstrate the quality and the rigour of the research.

Since there are no validated instruments or standardised methods in qualitative research, research quality cannot be assumed and must be demonstrated in each case. As Silverman (2005, p.209) describes it, unless the audience was convinced that methods were reliable and conclusions valid, there was little point in aiming to conclude a research dissertation. There are a number of common and recurring criticisms of qualitative research (Grix 2004, p.121; Silverman 2005, pp.210-15; Yin 2003, pp.33-8), including the:

- perceived problem of anecdotalism (subjectivism);
- inability to generalise from small samples or few case studies, which leads to the question of validity; and.
- emotion of the researcher, which leads to a lack of objectivity and a tendency to use personal opinion instead of evidence to support arguments.

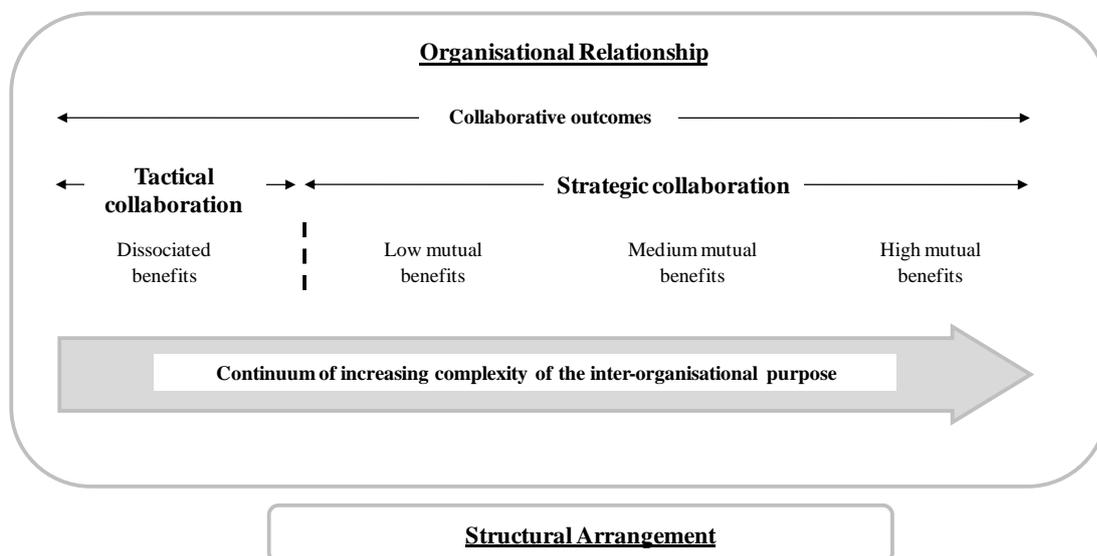
These criticisms have been taken into account in the design and conduct of this research, as described in the 'Case design' section below.

The objective of the research is to explore whether strategic collaboration is present in the Australian Government's ICT outsourcing programme. Prior research and scholarly papers in the literature review had described:

- two contrasting approaches to corporate governance, competition (control) and collaboration (partnership);
 - collaboration as a continuum of outcomes reflecting the increasing complexity of organisational purpose, with points along the continuum described using terms such as coordination and cooperation;
 - relationship constructs and characteristics that described construct variation across different outcomes; and
 - competition as the main outcome of the Australian Government's original ICT outsourcing programme.
-

On the basis of the findings from the literature review, a context to explore the veracity of a change from a competitive outcome to one of collaboration, was envisaged as shown in Figure 4.6. The term 'Dissociated benefits' (Tactical Collaboration) is used instead of competition since for dyadic research it better represents the individual and uncoordinated, or opportunistic outcome that either the public or the private sector might take. Where the research findings conclude that the outcome sought was for 'Dissociated benefits', the thesis conclusion would be that strategic collaboration is not being sought. An outcome of strategic collaboration might be any one of the outcomes of 'Low, Medium, or High mutual benefit'.

Figure 4.6 – Research context

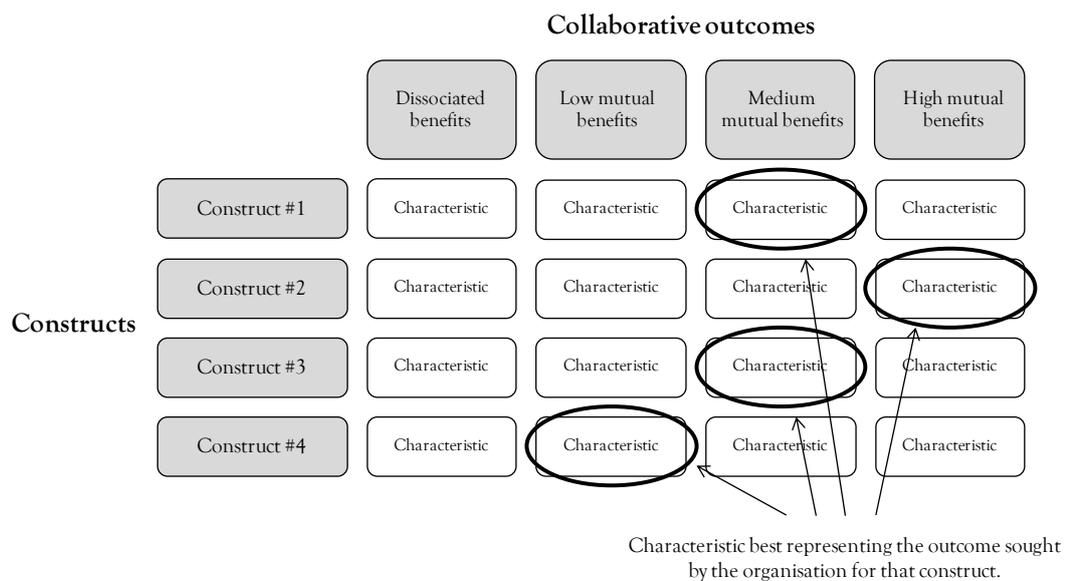


The research procedure is to establish a model that represents a public-private relationship, and then situate the outcome sought by the relationship, on the model. This process is repeated for the public sector organisation and the private sector organisation in each case study, establish common themes in the case study, and then compare and contrast the results across the three case studies. The outcome sought by the organisations and as represented by them, could be considered as either tactical or strategic collaboration. There are however a number of steps in establishing the model, and mapping the outcome in it, to provide rigour and quality to the research. The detailed steps are described in the stages of the individual interviews, the group interviews, and lastly, the analysis.

At the individual interviews:

- Using a blank relationship framework as a template, each interviewee creates a model of an organisational relationship that captures the constructs that they considered to be the most important in defining a public-private organisational relationship. The interviewee completes the model by describing the characteristics of the constructs along the outcome continuum.
- As the last part of each individual interview, the interviewee selects an outcome for each construct that they believe best described the outcome being sought from the relationship by the interviewee's organisation. This concept is illustrated in Figure 4.7 as ellipses noting that the interviewees may ascribe the outcome sought to be at a different point for each construct.

Figure 4.7 – Identifying the outcome sought from the relationship



The purpose of obtaining an indication of the outcome for each construct was to establish depth in understanding the outcome sought by the relationship, by the organisation. There would be less value for example, in establishing that the rhetoric was proven at a generic level, without understanding the detail within that finding.

The developed relationship models from the individual interviews are collated into a single model for each organisation in the case study, and then presented at a group interview. The group interview comprised all those who were interviewed individually. At the conclusion of the group interview, the group (as representing the organisation):

-
- Confirmed that the consolidated relationship model properly represented all the data from the individual interviews, and was a fair representation of a public-private relationship.
 - Confirmed that the outcome for each construct best described the outcome being sought by the organisation through the relationship.

To further confirm an understanding of the outcome sought by each organisation, as the last part of the group interview the participants were asked to indicate on the model where they considered that the current performance was situated. In other words, the group may have stated that against a particular construct, the outcome being sought was 'Medium mutual benefits', however due to a number of factors the outcome being currently achieved only equated to an outcome of a 'Low mutual benefits'.

This final consideration by the participants required a different perspective. Up until this stage the participants had been considering outcomes sought from the relationship. The final question required them to consider the performance (perceived performance) of the relationship. This was an important step in the research method as it served in having the participants further consider and justify their selection of the outcome being sought. In other words, is the organisation only aiming at the current outcome or does it have the plans, strategies, and resources (as defined by the characteristics) in place to indicate that the higher outcome is really what is being sought.

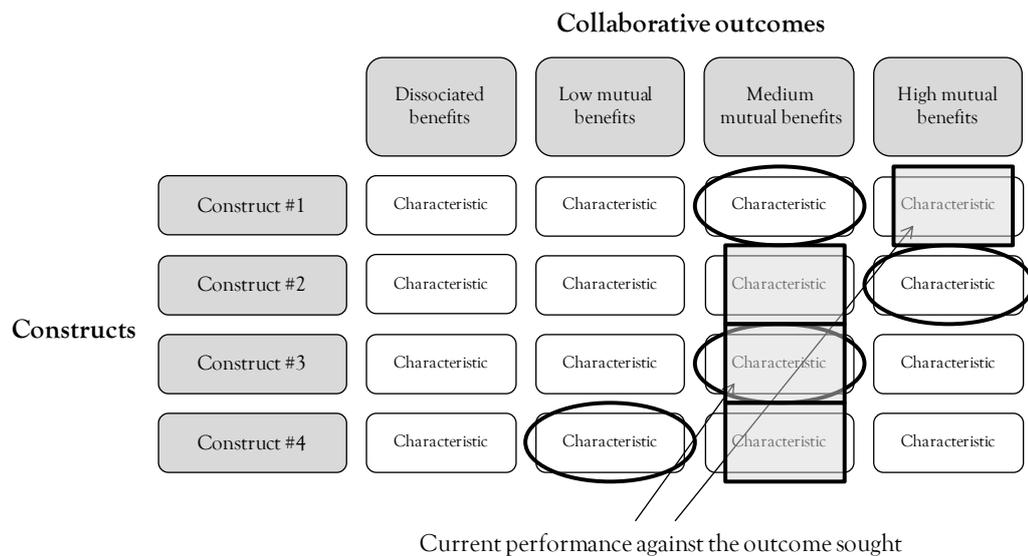
An example of the current performance against the sought outcome is shown as overlaid rectangles in Figure 4.8. Note that the interviewees may ascribe the current performance to be equal to, worse, or better than the characteristic that they determined to reflect the outcome being sought. Analysis was conducted within each case and then across the three case studies. At the conclusion of the analysis for each case study, there had been developed:

- An Emerged Model for an organisational relationship that is a consolidated public-private representation, benchmarked against an Initial Framework obtained from prior research. The Emerged Model has validity due to it being grounded against the literature, and it has applicability since its constructs were selected as important in the public-private interface. In other words, it is
-

asserted that the Emerged Model fairly represents a public-private relationship model.

- A consolidated (public-private) view on the outcome being sought by the relationship.

Figure 4.8 – Model showing current outcome sought



As with all models and frameworks, the model used in this thesis has its strengths, weaknesses and limitations. The model's main strength is its simplicity, enabling it to be quickly understood and developed by an interviewee in a single one hour interview. This is also the model's greatest potential weakness and limitation, since the literature recognises that organisational relationships are extremely complex and possibly unable to be represented in two dimensions. The 'four-step outcome continuum' may also be a constraint for interviewees. Interviewees may perceive less or more steps in the continuum, and the rigidity of the model has the potential to make the interviewee want to alter their perception so as to fit the model with four steps. The strengths, weaknesses and limitations are inherent in the method adopted for this research, and require testing through future research to draw conclusions on their validity.

A final potential weakness of the model is that each interviewee starts with a 'blank canvass'. Interviewees may feel intimidated that they 'are not smart enough' to think of appropriate constructs and characteristics, or concerned that their views are to shared with their peers. This matter was considered in the initial letter sent to potential

participants (provided at Appendix H), where it outlined and explained research approach and the model, thus providing advance time for participants to consider responses and gain confidence on the anonymity of their responses.

Collaboration: Thesis definition

Definitions of collaboration were identified in the literature review. From these definitions a set of principles about collaboration was established:

- collaboration is an inter-organisational phenomenon (Phillips et al. 2000, p.24);
- the parties are acting as equals (Thomson and Perry 2006, p.23);
- it is a service related concept (Majumdar 2006, p.184);
- it is a positive form of inter-working for mutual benefit (Bititci et al. 2004, p.253);
- collaboration is a higher-order outcome in the continuum of beneficial outcomes sought by organisational relationships (Thomson and Perry 2006, p.23);
- collaborative relationships are not mediated by market structures (Phillips et al. 2000, p.24);
- the organisational relationship requires ongoing maintenance effort (Black et al. 2002, p.5); and
- outcomes are reciprocal and voluntary (Center for Technology in Government 2004, p.4).

Using these principles, the definition of strategic collaboration established for this research was: ‘a reciprocal and voluntary form of lasting and committed union between organisations for the purpose of mutual opportunity creation, not possible by either organisation on their own’.

The definition incorporates a number of contentions. Firstly that collaboration is not forced via the underlying structural arrangement, and secondly that the prime outcome is to create mutual beneficial opportunities not able to be created by either organisation on their own. Lastly, that both parties expect it to be a longer-term relationship, and that they show commitment to it.

The next section describes the establishment of the Initial Framework.

The Initial Framework

The constructs for organisational relationships discovered in Chapter 3 were summarised at Table 3.4. These constructs are copied to Table 4.4 as the basis for the Initial Framework of an organisational relationship.

Table 4.4 - Constructs for the Initial Framework

Construct group	Constructs
Interaction process	Quality of product/service Information sharing Financial, value/potential for profit Communication and shared language
Parties	Business focus and objectives Interpersonal relationships Governance Leadership Providing incentives and alignment across the party boundary Quality, and skills of people
Atmosphere	Type of relationship Integration of cultures and ease of doing business Measurement and evaluation systems for projects and the relationship Trust, reliability and integrity Degree of discussion
Environment	Business/political/social environment Status that comes with the relationship

Characteristics (descriptors) of the constructs were extracted and compiled from the literature in Chapter 3, and used to populate the Initial Framework (Table 4.5). Blank cells in the framework are due to no characteristics being found against the construct in the reviewed literature.

Table 4.5 - Initial Framework

Construct Group	Construct	Expected Outcome			
		Dissociated benefits	Low mutual benefits	Medium mutual benefits	High mutual benefits
Interaction Process	Quality of product/service.	Meets the agreed specifications.	Low embedded value (service level or quality) in product or service brought forward.	Medium embedded value (service level or quality) in product or service brought forward.	High embedded value (service level or quality) in product or service brought forward.
	Information sharing.	Sales orders and confirmation. Inventory data.	Demand data. Order planning data. Promotion data. Production data.	Demand data. Order planning data. Promotion data. Production data.	
	Financial (Value and potential for profit).	Success coming at the expense of the other party (win/lose mentality).	Both organisations meet financial expectations.		Both organisations exceed financial plans through new opportunities.
	Communications (Contact between the organisations).	Nil	Some.	Frequently.	On all activities.
Parties	Business focus and objectives.	No common objectives. There may be conflict.	Common objectives that are project specific.	Long-term focus on accomplishing the strategic goals of involved parties.	
	Interpersonal relationships	Poor interpersonal relationships.	Cordial interpersonal relationships.	Team members are likely to be involved in projects outside the partnering relationship.	Cooperative relationships supported by collaborative experiences and activities.
	Governance (Coordination, synchronisation, and common processes.)	No coordination. No common processes and internal processes not current.	Some coordination. Internal processes are current, common processes have commenced development, are weak and not mandated.	Frequent coordination. Common processes developed and commonly used.	Coordination on all activities. Common processes are strong, mandated and fully maintained.
	Leadership (drive and facilitate the relationship and manage risk).	Individual leaders focus on the results of their organisation.			Individual leaders playing mutually reinforcing roles.
	Incentive Alignment.	Competitive relationship maintained by coercive environment.	Relationship specific measures tied to team incentives.	Relationship specific measures tied to team incentives.	
	Quality, and skills of people (includes knowledge of product/service).	Short-term focus.	Team members who are likely to be involved in projects outside the relationship.		Cultures integrated and directed to fit the application.
	Type of	Transactional	Information	Mutual learning.	Vertically

Construct Group	Construct	Expected Outcome			
		Dissociated benefits	Low mutual benefits	Medium mutual benefits	High mutual benefits
Atmosphere	relationship.		sharing.		integrated with shared authority.
	Integration of cultures and ease of doing business.	Singular points of contact between the organisations.	Improved interpersonal relationships.	Improved processes and reduced duplication.	Transparent interface.
	Measurement systems for projects and the relationship.	No measurement of performance.	Some measurement on major projects and areas of perceived risk.	Common measurement system for projects and the relationship.	A single common performance measurement system.
	Trust, reliability and integrity.	No trust. Complete checking on all activities.	Little trust, with no shared risk; primarily a defensive position.	Openness, honesty, and increased risk sharing.	Implicit trust and shared risk
	Degree of discussion (decision making, seeking help and transferring knowledge).	Nil	Some.	Frequently.	On all activities. Parties will work jointly.
Environment	Business/political /social environment.				
	Status that the relationship brings.				

Case design

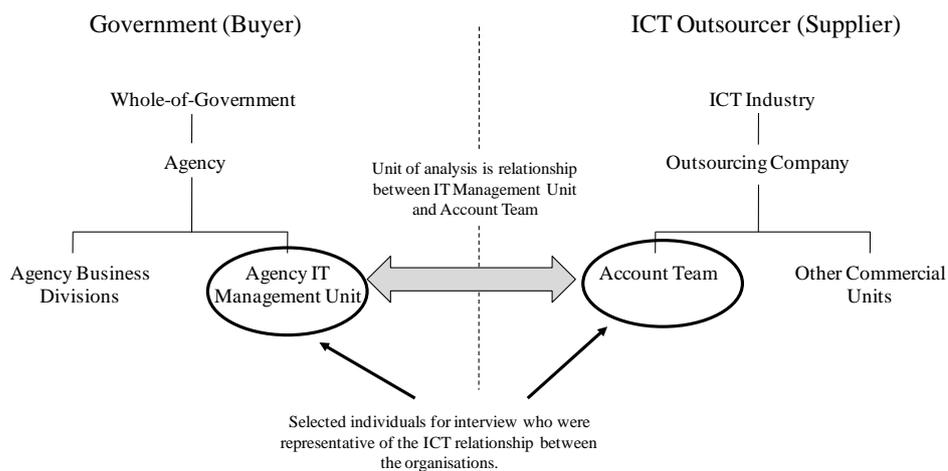
Yin (2003, pp.10-11) discusses a number of traditional prejudices against the case study strategy. He suggests that perhaps the greatest concerns are over the lack of rigour of case study research, that they provide little basis for scientific generalisation, and lastly that they take too long and result in massive unreadable documents.

Silverman (2005, pp.126-7) identifies three analytic features of case study research. These are that each case requires identified boundaries, a unit of analysis to identify what is being researched, and a research question that focuses on specific features of the case. Separately Silverman discusses the need to consider the generalisability of any findings from the case studies.

Unit of analysis

The selection of the unit of analysis was made on the basis of the research question and was chosen as the organisational relationship between the ICT Management Unit (ITMU) of the government agency and the Account Team of the ICT outsourcing provider. This is shown diagrammatically at Figure 4.9.

Figure 4.9 – Unit of analysis



This thesis contends that the ITMU properly represents the interests of the government agency on the central issue of the outcome sought by the agency in its relationship with the private sector ICT outsourcing supplier. Whilst the other Business Units of the government agency have an interest in the performance of the supporting ICT services, it is the ITMU that is directly responsible for the ICT services and the ICT outsourcing supplier who is providing them. Likewise, the day-to-day relationship with the government agency is the direct responsibility of the Account Team of the ICT outsourcing supplier, and not wider outsourcing company.

Within the ITMU and the Account Team, interviewees were selected on the basis of purposive sampling, with the objective of selecting interviewees that represented the organisations at as many levels as possible. The categories of participants sought were:

- the Senior Executive who is directly accountable for the outcome of the ICT Outsourcing arrangement;
 - the senior Manager who manages the day-to-day operations of the ICT Outsourcing arrangement;
-

-
- the senior Manager who administers the contractual relationship; and
 - two staff ‘on the shop floor’ that work closely with staff in analogous positions from the partnering organisation, on a daily basis.

Case boundaries and selection of case agencies

To achieve the research objective of exploring the rhetoric at the level of the Australian Government ICT outsourcing environment, the research approach was to explore the rhetoric at the agency level and draw conclusions that were independent of agency specific factors such as the type of agency, outsourcer, or type of ICT outsourcing contractual arrangement. A collective case approach with three case studies was chosen to meet this objective.

In its guide to ICT Sourcing Strategies, the AGIMO (2007, p.1) identified three types of ICT sourcing, which were broadly based on the manner in which the ICT services were managed externally, and the number of vendors involved. AGIMO’s three types of ICT sourcing were:

- Self-Managed ICT is predominantly managed and run by internal resources, possibly including contractors or consultants, with little or no Service Level Agreements (SLAs) with external vendors.
- Single Sourcing ICT is predominantly run by a single external party under an SLA.
- Multi-Sourcing ICT is predominantly run by multiple external parties under one or several SLAs. (Australian Government Information Management Office 2007, p.1)

Single Sourcing and Multi-Sourcing strategies are often grouped together and called outsourcing, while Self-Managed is also referred to as ‘in-house’ provision of services.

The Intermedium Report (2007, pp.21-4) provides a list of the then-Australian Government agencies categorised within AGIMO’s three types of ICT sourcing strategy. This list is copied to Table 4.6 and further categorised for the purposes of selecting an agency for each case study. One agency was chosen from each of the sourcing strategy types.

A final consideration was that public sector agencies are not homogeneous, and there may be a fundamentally different relationship with the private sector by public sector agencies that have different 'roles'. There was no prior research found in the literature that commented on whether the role of a government agency may impact on the organisational relationship, but to eliminate this from further consideration, this thesis decided to consider agencies having one 'role' only. For the purposes of this research, and consistent with Hughes's definition, government agencies are defined as having two basic roles. These roles are the 'delivery of government programmes', and the 'delivery of government production' (Hughes 2003, pp.88-90). Hughes defines production as '... production takes place away from the government budget, and users are charged in the same way as if the items were provided by the private sector' (Hughes 2003, p.82). The delivery of government programmes means the provision and management of policy, and services for the public good such as defence, policing, legal systems, and social organisation. Government production is differentiated through it being a user-pays service as though it was provided by the private sector. Examples of government production might be the delivery of utility infrastructure services such as roads, power, water, and sewerage.

The classification of agencies into roles (provided in Table 4.6) is self-evident for many of the main agencies, but there may be debate on other agencies which straddle the programme/production boundary. For this research only agencies involved in the delivery of government production were chosen to participate, and one agency was chosen from each sourcing strategy. In other words, one agency was chosen for each case study. The agencies chosen were in the category of having a self-evident role.

Table 4.6 – Classification of agencies

Sourcing Strategy	Delivers government programmes	Delivers government production
Self-Managed	Attorney General's Department Australian Agency for International Development Australian Crime Commission Australian Radiation Protection and Nuclear Safety Agency Department of Education, Science and Technology Department of the House of Representatives Department of the Treasury	Administrative Appeals Tribunal Australian Broadcasting Corporation Australian Bureau of Statistics Australian Federal Police Australian Industrial Registry Australian Transaction Reports and Analysis Centre Bureau of Meteorology CrimTrac Commissioner for Superannuation (ComSuper)

Sourcing Strategy	Delivers government programmes	Delivers government production
Single Source (grouped as per major outsourcing Provider)	<p>Human Rights and Equal Opportunity Commission National Archives Australia Office of National Assessments</p> <p>Commander (previously Volante/Ipex):</p> <ul style="list-style-type: none"> • Australian Communications and Media Authority • Australian Public Service Commission • Department of the Environment and Water Resources • Department of Transport and Regional Services <p>IBM:</p> <ul style="list-style-type: none"> • Department of Health and Ageing <p>Unisys:</p> <ul style="list-style-type: none"> • Australian National Audit Office <p>Getronics:</p> <ul style="list-style-type: none"> • Department of Family and Community Services <p>ASG Group (previously Exceed Systems Integration):</p> <ul style="list-style-type: none"> • Department of the Prime Minister and Cabinet 	<p>Commonwealth Director of Public Prosecutions Commonwealth Ombudsman Office Commonwealth Scientific and Industrial Research Organisation (CSIRO) Department of Parliamentary Services Family Court of Australia Geosciences Australia Insolvency and Trustee Service Australia National Library of Australia</p> <p>Commander (previously Volante/Ipex):</p> <ul style="list-style-type: none"> • Department of Agriculture, Fisheries and Forestry <p>EDS:</p> <ul style="list-style-type: none"> • Australian Taxation Office • Child Support Agency <p>KAZ:</p> <ul style="list-style-type: none"> • Department of Broadband, Communications and the Digital Economy (formerly the Department of Communications, Information Technology and the Arts) • Australian Research Council <p>IBM:</p> <ul style="list-style-type: none"> • Department of Veterans' Affairs • Therapeutic Goods Administration <p>CSC:</p> <ul style="list-style-type: none"> • IP Australia
Selective Source	<p>Australian Competition and Consumer Commission Australian Electoral Commission. Department of Defence Department of Employment and Workplace Relations Department of Finance and Deregulation (formerly the Department of Finance and Administration) Department of Foreign Affairs and Trade Department of Human Services Department of Industry, Tourism and Resources</p>	<p>Australian Customs Service Centrelink Civil Aviation Safety Authority Department of Immigration and Citizenship (formerly the Department of Immigration and Multicultural Affairs.) Medicare Australia (formerly the Health Insurance Commission) National Health and Medical Research Council National Offshore Petroleum Safety Authority</p>

Relationship of case studies to research question

The third analytic feature of case study research identified by Silverman (2005, pp.126-7) was the need for the research question to focus on specific features of the case—for this research, a collective case study.

The research question is: 'Do the outcomes sought from the public-private relationships in the Australian Government's ICT outsourcing programme, represent

strategic collaboration?' The research question has three main elements, which are that it is focused on:

- the Australian Government ICT outsourcing programme,
- public-private organisational relationships, and
- strategic collaboration.

The research question aligns with the boundaries of the collective case study as the individual case studies focus on the relationships of the public and private business units of organisations that are directly involved in the outsourcing of ICT services. The collective case does not for example include a case study on the AGIMO which is responsible for the delivery of the Australian Government ICT outsourcing programme. Whilst this case would be relevant for the study of the programme itself, and the overall outcome sought by the programme, it would have little relevance to the day-to-day outcome and relationship sought by the public and private sector organisations.

Generalisability

Silverman (2005, pp.126-8) states that generalisability is a standard aim in quantitative research provided through statistical sampling techniques, but unavailable in qualitative research since the numbers of cases are low and not selected on a random basis. He suggests several methods that may be used in assisting that findings might be generalised, but concludes that it may be more important to focus on other theoretical priorities of the research.

The government agencies were selected—one from each ICT sourcing strategy—to assess collaboration within the Australian Government ICT outsourcing programme. The study does not claim that the agencies (cases) chosen are representative of the entire Australian Government or that the findings on ICT outsourcing could be generalised to outsourcing more generally by the Australian Government. It is hoped that further studies in these areas may follow on the basis of the knowledge learned in this research.

Procedures for the field work

The case studies were progressed through an initial request to the government agency, seeking its agreement to participate in the research. Following this approval,

subsequent requests were sent to the private sector partners nominated by the government agency. Prospective interview participants in all organisations were selected on the basis of purposive sampling, and individual request letters sent to them. Participants who agreed to the voluntary interviews were briefed on the objectives and methodology of the research, the ethics and confidentiality provisions, and finally signed an informed consent form prior to the interview. The interviews conducted and the job role of participants are shown at Table 4.7.

Table 4.7 – Interviews conducted

Case study	Interviews conducted		
	Government agency	ICT service provider	Office automation provider
Self-Managed	2 Senior Executives	2 Senior Executives	1 Chief Executive
	2 Service Managers	1 Service Manager	1 Senior Executive
	1 Individual follow-up	1 Group interview	1 Project Director
	1 Group interview		1 Service Support Officer 1 Group interview
Single Sourcing	1 Senior Executive	1 Senior Executive	
	2 Directors	1 Senior Manager	
	2 Service Managers	2 Service Managers	
	1 Group interview	1 Service Support Officer 1 Group interview	
Multi-Sourcing	1 Senior Executive	1 Senior Executive	
	1 Senior Advisor	4 Senior Managers	
	2 Directors	1 Group interview	
	1 Group interview		

The progression through individual and group interviews, and subsequent analysis was as illustrated at Figure 4.10.

Figure 4.10 – Conduct of case studies

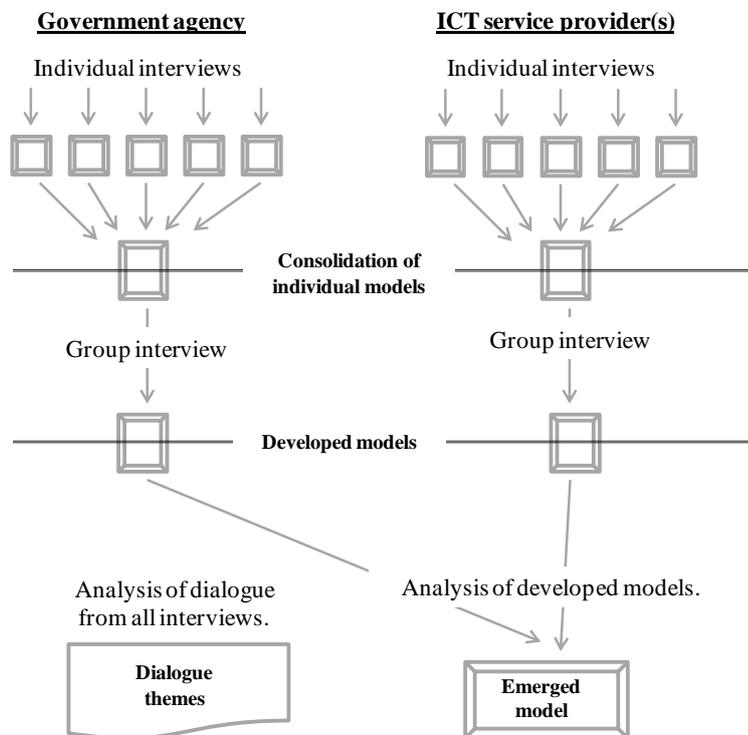


Figure 4.10 also illustrates that the analysis of the interview data was conducted in two parts as previously discussed. The analysis of the Developed Models and secondly, the separate analysis of the dialogue from all the interviews, are presented in the following sections.

Due to the large amount of interview and analysis data, the majority is not included with this report. However all data remains available should it be required for review including:

- the recorded interviews in MP3 format,
- hand written notes and signed interviewee consent forms,
- the verbatim transcription of the interviews in word format,
- coded interview transcriptions in NVivo® format, and
- all work-in-progress documents such as the Developed Models and dialogue themes.

Chapter summary

This Chapter 4 was the Methodology chapter for the research. It provided the formal statement of the research topic and problem, the assumptions used in this thesis, and a description of the research methods and data collection techniques. The chapter concluded with an explanation on the choice of cases studied.

This thesis posed a research question on strategic collaboration in the Australian Government's ICT outsourcing programme, to assess the wider research topic on whether the public sector is seeking beneficial outcomes in its relationship with the private sector, above those obtained through traditional government procurement practices. The research objective was to assess strategic collaboration broadly across the Australian Government ICT outsourcing environment using a theoretical framework of a public-private relationship developed from the research literature. The research employed the qualitative research method of building theories through case studies. The theoretical framework from the literature was tested and further developed through a series of individual interviews within selected cases. A second round of interviews confirmed the Developed Model and situated the collaborative outcome and the current outcome. Finally inter-case and intra-case analysis explored the original rhetoric, and the rigour and validity of the research.

A major consideration in the research was the selection of the cases to support the ability to generalise any findings within the Australian Government ICT outsourcing environment. This was done by selecting a government agency for each of the three types of ICT sourcing strategy identified by AGIMO. Within the organisations, interviewees were selected on the basis of purposive sampling, with the objective of selecting interviewees that represented the organisation and therefore address the unit of analysis which was the relationship between the organisations. Data validity was improved by the triangulation of data from document analysis, and the individual and group interviews. The interviewee's subjectivity was managed through good interview technique and pre-qualifications of the interview questions.

Chapter 5 – Self-Managed Sourcing case study

... we tend to play cooperatively each with our own set of blocks to build intellectual structures; we do not generally pool our blocks to build a common structure collaboratively.

(Bingham and O'Leary 2006, p.161)

This chapter describes the Self-Managed Sourcing case study, and provides an analysis of the dialogue, and the Developed Models from the interviews. The final sections of the chapter are an examination of the emerged relationship model, and an analysis on the outcome being sought from the relationship.

The Self-Managed case study was the first of the three cases studies to be completed, and involved a government agency, a large ICT service provider, and a small company providing office automation equipment. The AGIMO definition of a Self-Managed Sourcing strategy is:

... ICT is predominantly managed and run by internal resources, possibly including contractors or consultants, with little or no Service Level Agreements (SLAs) with external vendors (Australian Government Information Management Office 2007, p.1)

The definition implies that the government agency would closely manage the provision of ICT services—as if they were providing the services themselves—and only seek external assistance where they did not have the internal capability or capacity.

The contribution to the thesis by this case study, is that it establishes a relationship model—albeit based on a particular sourcing strategy—indicating that the most important aspects of the relationship, are those about the organisations themselves, such as the people, the business strategies, and structure and governance. On the basis of this model, the case study concluded that strategic collaboration was being sought. This is a significant finding as of all the case studies, a self-managed sourcing strategy is the most likely to focus on commodity transactions—a theme that was identified during the interviews—and as a result, be seeking tactical collaboration.

Environment of the case

The government agency is an Australian Government statutory authority delivering services covering: agribusiness, energy and transport, environment and natural resources, health, information technology, telecommunications, manufacturing and mineral resources. The agency is governed by a Board and reports directly to a Government Minister. Its customers are the Commonwealth, State and Territory governments and their agencies, Australian and global business, industries and research organisations, and the Australian and international community. The agency has approximately 6,500 staff in 60 locations across Australia, and has been in operation for over 80 years. ICT services are provided through a range of in-house contractor, or managed infrastructure and services.

Analysis of the interview data

Developed models

The organisational relationship model developed by the ICT service provider is attached at Table D.1 (appendix D), as an example of the richness of data collected at interview. The wording in this table has not been amended or consolidated to preserve the descriptions provided by the participants. Due to size constraints of this report, Developed Models by the government agency and the office automation provider are not provided, but are available for review if required. The constructs from the Developed Models from all three organisations in this case study, presented against the Initial Framework, are provided at Table 5.1. The table captures whether a construct provided at interview, described similar characteristics to a construct in the Initial Framework.

The final column of Table 5.1 highlights the constructs that were corroborated in the Self-Managed case. To be deemed as corroborated within this dyadic methodology, this thesis argues that constructs must be corroborated by the public sector organisation and at least one of the private sector organisations. The process of corroborating constructs aligns with the research methodology of building theories from case studies,

where potentially important constructs and characteristics are identified from the literature, and then tested and further developed through interviews.

The uneven spread of corroborated constructs indicate that the interviewees considered that the ‘Parties’ construct group—includes constructs about the organisations themselves, such as the people, the business strategies, and structure and governance—was the most important set of constructs in defining an organisational relationship.

Table 5.1 – Corroboration against Initial Framework: Self-Managed case

Initial Framework		Constructs			
Construct Group	Construct	Govt agency	ICT service provider	Office automation provider	Corroborated constructs
Interaction Process	Quality of product/service.				
	Information sharing.			✓	
	Financial. Communications.			✓	
Parties	Business focus and objectives.	✓	✓	✓	✓
	Interpersonal Relationships.	✓		✓	✓
	Governance.	✓	✓	✓	✓
	Leadership.		✓	✓	
	Incentive Alignment.		✓	✓	
	Quality, and skills of people.	✓	✓	✓	✓
Atmosphere	Type of relationship.	✓	✓	✓	✓
	Integration of cultures and ease of doing business.		✓		
	Measurement systems for projects and the relationship.				
	Trust, reliability and integrity.		✓	✓	
	Degree of discussion.			✓	
Environment	Business environment. Status that the relationship brings	✓	✓		✓

There may be several explanations for this asymmetrical outcome. Firstly, the interviewees were not sufficiently representative of the overall relationship, and their role and experience was focused at the middle levels of the model. This explanation has validity since the interviewees were predominantly senior officials with only the office automation provider having an interviewee involved in the shop floor interactions. However, this is not a compelling argument since the higher level atmosphere construct group is also not fully represented, as might be expected from such a senior group. In addition the roles of the senior officials also covered financial and communications interactions of the interaction process construct group, hence these constructs would be expected to be identified, if important to them. The second possible explanation is that the spotlight in a Self-Managed Sourcing strategy is principally on the longer-term operational relationship which the Interaction Approach (Håkansson 1982, p.31) describes as leading to adaption and institutionalisation. This explanation is potentially more valid as the job roles of the senior officials are typically on operational aspects such as the development of common processes and procedures. This does not suggest that the other constructs are not relevant to this type of sourcing strategy, merely that these constructs were more prominent for these interviewees, in these particular organisations. This explanation requires review during the inter-case analysis where the results from the other cases may support or challenge it.

Also evident in Table 5.1 is that of the seventeen constructs in the initial organisational relationship framework, four constructs were not recognised by any of the three organisations at interview. These constructs were: the quality of product and service, the financial value and potential for profit, the 'Measurement system for projects and the relationship', and the 'Status that the relationship brings'.

An explanation for the lack of recognition on the products and services construct may be that the quality of the delivered products and services is such that the matter is not front-of-mind for these interviewees. In other words, the service providers are clear on what the government agency wants, and the government agency is happy with what they are being delivered. This reasoning is doubtful since at interview there were a number of general comments that products and services were not up to expectation,

although service levels were not specifically mentioned. Another explanation could be that the interviewees were not intimately involved at the product or service level and hence not impacted if the product or service did not perform to specification. This argument is also unconvincing since the job roles of a number of the interviewees encompassed service management. The probable explanation is linked to a comment from a group interview which described the contracts as ‘predominantly based on commodity delivery’. This was amplified further in the same group interview where it was stated that, ‘the contract is focused on commodity, based on [the government agency’s] ability to spend and the [supplier’s] ability to earn’. In other words, the suggestion was that there was no reason to have a relationship based on the quality of the products and service since what was being purchased and supplied, was merely a commodity. This outcome requires review during the inter-case analysis to see whether this is particular to the Self-Managed case.

The lack of recognition on the financial value and potential for profit construct is also puzzling since there were interviewees whose job role covered these aspects. The finding may reflect that the government agency is comfortable with the financial performance of the arrangement (pricing is within acceptable limits and met value-for-money criteria) and that the private sector suppliers likewise accept the profit margins. Other probable explanations are that this was proprietary information and a topic not readily raised at interview, or that pricing and profit are not high focus areas of a Self-Managed Sourcing strategy. The most feasible explanation may link to the previous finding where all parties are merely buying and selling commodities and therefore the financial value and potential for profit are well known and fixed. This may again reflect a tenet of Self-Managed Sourcing strategies which requires further analysis in the inter-case analysis.

It is noteworthy that the construct of the ‘Measurement system for projects and the relationship’ was not recognised, and that no measurement system for performance was mentioned during the interviews. Constructs of the type being researched in this study are often employed in measurement systems, such as customer performance surveys, to assess the relationship. Explanations as to why this construct was not identified could be that:

-
- the interviewees thought that the current relationship was appropriate and not requiring measurement systems,
 - interviewees were not experienced enough in managing these types of relationships to understand that it was important, or
 - the management of the integrated relationship was the purchaser's responsibility and the government agency was not inclined to measure its own performance.

None of these explanations stand out as being the most credible and it is perhaps too easy to revert to what is becoming a common theme, that the focus is on commodity transactions and the organisational relationship is not important.

The final construct that was not recognised by any organisation was the 'Status that the relationship brings' to the organisation. This is a noteworthy outcome given that the private sector is usually keen to advertise government customers as reference sites for future business, and the use of small to medium businesses by the government remains as an important Australian Industry Development policy and is often quoted for political kudos (Department of Finance and Deregulation (DOFD) 2008a, p.7).

It is also interesting to note the low number of constructs that were identified in Table 5.1 within the 'Interaction process' construct group (two corroborations out of a total possible of twelve), and these were both by the office automation provider. This is surprising as it would appear to contradict a previous observation that the organisational relationship in this case may be focussed on commodity transactions. It is tempting to conclude that the interviewees were not fully representative across the whole model and that the focus of the interviewees was not at the interactions level. Whilst difficult to discount without conducting the same interviews on a different set of interviewees, this explanation is unlikely to be valid since several interviewees handled day-to-day service management issues and all interviewees had the potential to be interested in the quality of the product and service, communications, and financial management.

In summary, comparing the organisational relationship models developed by the individual organisations and then collated across the case, the following observations were made:

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- the parties construct group was the most important in defining a public-private relationship,
 - quality of products and services, financial value measurement systems and status, were not seen as important constructs,
 - defining constructs of a public-private relationship were:
 - business focus and objectives,
 - interpersonal relationships,
 - governance,
 - quality and skills of people,
 - type of relationship, and
 - business environment.

Several explanations were provided earlier in this section that may account for this outcome. These included that the interviewees were not sufficiently representative of the overall relationship, that their focus was more on the operational day-to-day aspects of the relationship, or that a characteristic of a Self-Managed Sourcing strategy is that the relationship focus is more on transactional business and commodity purchase.

Interview dialogue

Analysis of the interview dialogue was the second major task and this was conducted using the NVivo[®] computer software tool. Using NVivo[®], the dialogue transcripts were coded and dialogue themes developed. The relative importance of the themes, as indicated by the total number of citations raised during the interviews, is captured in Table D.2. Within this table, the most prominent themes were identified on the basis the total number of citations, and where they were reasonably equally cited by the government agency and one of the private sector organisations. The most prominent themes from Table D.2 are copied into Table 5.2.

An explanation of the table on prominent interview dialogue themes is as follows. For example, the theme on 'People (skills & understanding)' was cited in twelve of the fifteen interviews and for a total of 38 times – indicating its importance as a theme for organisational relationships by these interviewees. This theme described the interviewees view that people in the transacting organisations needed to:

- have the appropriate background skills;
- understand the strategic goals and plans of their own organisation;
- understand the products and services that they were selling and supporting; and
- above all, understand the environment and the requirements of the organisation that they were transacting with.

Table 5.2 – Most prominent interview dialogue themes: Self-Managed case

Themes (NVivo® Nodes)	Number of interviews where the theme was cited				Total number of citations			
	Govt agency	Office automation provider	ICT service provider	Total	Govt agency	Office automation provider	ICT service provider	Total
Commercial	3	1	3	7	3	1	4	8
Relationship (commodity based)	4	1	2	7	13	1	6	20
Governance (processes)	5	1	1	7	18	3	2	23
People (attitude)	5	2	2	9	13	3	3	19
Trust and confidence	3	3	3	9	10	5	4	19
Governance (leadership)	3	4	2	9	5	14	3	22
People (skills & understanding)	5	4	3	12	19	14	5	38

The relevance of Table 5.2 is for its later use in comparing the most prominent dialogue themes against the constructs of the developed relationship model. A question would be raised for example, if there was no construct in the Developed Model corresponding to the prominent theme of ‘People (skills & understanding)’.

Overall, the statements from the interviews about the people theme were balanced, meaning that there was a range of statements embracing: the skills required and not needed for particular relationship outcomes, positive and negative accounts of the

current people, expansive and self-centred views of what was needed. Selected interviewee statements are:

To me a perfect outcome as far as the people goes, is people who have had experience in the private sector, that have had experience with actually dealing with contracts, that have had experience in what drives an outsourcer ... [Government agency, Senior Executive]

Best solution for us ... totally understand us and how we operate and need to operate, and our diverse environment. As opposed to the other end of the spectrum, where it's, here's this product, and you just need to buy it, here's a brochure buy it, and walk away sort of thing. [Government agency, Senior Executive]

... well they do understand their products, and they work, and they anticipate, or correctly interpret what we need, even though we give them probably incomplete information ... [Government agency, Service Manager]

They have to be motivated, they've actually got to really understand the business. Briefed does not get you to understand the business. It's about embedding people on both sides of the organisations so that they understand what the business is. [Government agency, Senior Executive]

A selection of the statements made at interview on the other prominent themes are provided below, this time indicating more negative comments by interviewees. Comments such as these are notable also as they indicate of the candidness of the interviewees in describing the reality of the relationship.

The attitude [of people] can range from, I'm a customer of yours and you're a service provider, you're one of the many service providers and I'll deal with you as a service provider. If you are cheaper than the competition then we'll use your service ... [ICT service provider, Senior Executive]

It's a game. It becomes a game and there is no collaboration over discussing what the real issue is. The private sector has got a dollar [profit] driver ... which is fair enough ... the public sector has got a "I don't want to pay for it" driver. [Government agency, Senior Executive]

I guess it's the risk and reward ... if you just deal with us, we just represent one tiny part of the whole organisation and they won't get access to potentially other work or other business. Whereas if they try and trawl through the various business units looking for work, there is a fair chance that they'll come to some cropper in that they will spend a bit of effort trying to do something, and then find that it's not possible. [Government agency, Service Manager]

The most important generalised findings from the interviewee's comments were:

- the relationships were at the transaction (commodity) level,
 - trust was low,
 - the inter-personal attitude was typical of a buyer-seller relationship,
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- inter and intra-organisational structures was not conducive to intimate working between the organisations, and
- the difficult organisational structures were not assisted by strong governance that may assist inter-organisational working.

The themes from the dialogue analysis were further grouped to ensure that meaning was not lost due to inadequate coding of the interviews. Themes were grouped under the categories of ‘Governance’, ‘People’ and ‘Organisation’ in Table 5.3.

Table 5.3 – Main theme groupings: Self-Managed interviews

Group	Themes	No. of citations
Governance (the interaction on day-to-day transactions)	Delegation	5
	Risk management	4
	Consultation	10
	Processes	23
	Total	42
People (personal traits)	Influence on outcomes	3
	Personal relationships	6
	Attitude	19
	Total	28
Organisation (the in-place structures and practices)	Location (separation)	6
	Diversity (knowledge of services)	10
	Maturity	12
	Structure	30
	Total	58

Table 5.4 provides a comparison between the constructs of the relationship model developed by the interviewees, and an analysis of their dialogue during the interviews. There was no one-to-one match between the constructs and the themes as might be expected—as the construct titles were established by the interviewees, and the themes titles were established by the researcher—however, there is a reasonable compatibility. The major discrepancies (shaded in the table) are the missing constructs against ‘Financial’, ‘Leadership’, and ‘Trust, reliability and integrity’.

Table 5.4 – Constructs vs. dialogue themes: Self-Managed case

Construct group	Construct	Corroborated constructs	Prominent dialogue themes
Interaction process	Quality of product/service.		
	Information sharing.		
	Financial.		✓
	Communications.		
Parties	Business focus and objectives.	✓	✓
	Interpersonal Relationships.	✓	✓
	Governance.	✓	✓
	Leadership.		✓
	Incentive Alignment.		
	Quality, and skills of people.	✓	✓
Atmosphere	Type of relationship.	✓	✓
	Integration of cultures and ease of doing business.		
	Measurement systems for projects and the relationship.		
	Trust, reliability and integrity.		✓
	Degree of discussion.		
Environment	Business environment.	✓	
	Status that the relationship brings		

* Shading in the table highlights a prominent dialogue theme that does not have a corresponding construct.

The constructs of ‘Leadership’, and ‘Trust, reliability and integrity’ were nominated by both private sector organisations as being important constructs in defining a public-private relationship. However, neither construct was nominated by the public sector agency, and as a result the constructs did not come forward as corroborated constructs. This is a surprising result given the strength of comments on these constructs by the public sector agency during the interview. Example are:

... Probably a key one would be the level of trust. To being able to hand over, and not to have to continually test or check advice or be wary of advice. [Government agency, Service Manager]

... this is especially important for government ... the attitude of government is that they don't trust the outsourcer most of the time [Government agency, Senior Executive]

... from a self perspective [the public agency] is pretty bad at getting that one [leadership in governance] right, and that causes us a lot of [problems] ... [Government agency, Service Manager]

Given the recognition by both private sector organisations that they are important constructs of a relationship, and that they were prominent dialogue themes by all organisations in the case, the constructs of 'Leadership', and 'Trust, reliability and integrity' are added into the Emerged Model.

In contrast however, none of the organisations considered 'Financial' as an important construct in defining a public-private relationship. As mentioned previously, this result was puzzling since all organisations had interviewees whose job role covered financial performance. This may be an example of where the Developed Model does not fully reflect the true position, or merely that the theme was important enough to be mentioned numerous time in the interviews but it was not as important as the constructs already included. This thesis decided not to include the 'Financial' construct into the Emerged Model for this case, but to note in the model that it was a prominent dialogue theme in case this becomes an important factor in the later cross-case analysis.

In summary, the analysis of the interview dialogue an important method in applying rigour and testing validity in the research. Matching dialogue themes against the constructs of Developed Models provides a valuable check to ensure that the interviewees are not presenting one view of the organisational relationship in their Developed Model, whilst describing something different in their rhetoric. As a result of the comparison of the constructs of the development model and the prominent themes of the interview dialogue, the constructs of 'Leadership', and 'Trust, reliability and integrity' are included in the Emerged Model for this case, and the 'Financial' construct was noted for its prominence in the dialogue.

Summary – Analysis of interview data

The organisations in this case considered that the defining constructs of a public-private relationship were:

- business focus and objectives;
 - interpersonal relationships;
 - governance;
 - leadership;
 - quality and skills of people;
-

-
- type of relationship;
 - trust, reliability and integrity; and
 - business environment.

The construct of 'Financial' was noted for its prominence in the dialogue but not included in the Emerged Model.

The section considered possible explanations for the lack of full coverage of the constructs against the Initial Framework. This included that the interviewees were not sufficiently representative of the overall relationship, that their focus was more on the operational day-to-day aspects of the relationship, or that a characteristic of a Self-Managed Sourcing strategy is that the relationship focus is more on transactional business and commodity purchase. A number of these factors required to be further reviewed in the cross-case analysis.

The Emerged Model

The emerged organisational relationship model is a consolidation of the Developed Models from each organisation, reviewed against the Initial Framework, and after consider the interview dialogue. The final Emerged Model for the Self-Managed case study is provided at Table D.3, and for the sake of brevity, the structure is repeated in Table 5.5, less the outcome characteristics.

Table 5.5 – Emerged Model: Self-Managed case

Construct group	Construct
Interaction process	* Financial – noted for prominence in dialogue but not a formal construct.
Parties	Business focus and objectives. Interpersonal Relationships. Governance. Leadership. Quality, and skills of people.
Atmosphere	Type of relationship. Trust, reliability and integrity.
Environment	Business Environment

Description of the constructs

Interaction Process construct group

Financial. This construct was about the cost of the services and the potential to make a profit in delivering the services. The collaborative outcomes were the varying degrees of the potential for both parties to financially benefit from more efficient way of delivering the services, increased volumes or new services themselves. There are no further details on the characteristics from the Developed Model since this construct was included on the basis of the analysis of the interview dialogue.

A selection of comments from the interviews is presented below to provide a sense of the importance that they placed on the construct.

... that's the reality of those contracts in that ... everyone only wants to pay the least amount of money for the most amount of service. Whereas the vendor wants to get the most amount of money for the least amount of service that they can get away with under the contract. [Government agency, Service Manager]

but you need to be acting in self-interest to make sure that your own party can survive, or else there will be no relationship and no collaboration. [Government agency, Senior Executive]

... where the key thing that they want is to have it clearly defined as to what you are going to deliver, when you're going to deliver it, how much it's going to cost, and if you don't make any of that, then what's the penalty clause. [ICT service provider, Service Manager]

Oh I think they have to understand what the service is and what the charge for the service is, and what the purpose of the bill is. As long as they understand all of those things and then there are very few disputes. The attitude can range from, I'm a customer of yours and your service provider, you're one of the many service providers and I'll deal with you as a service provider. If you are cheaper than the competition then we'll use your service ... and so there is that attitude. [ICT service provider, Service Manager]

Given that no characteristics were provided by the interviewees for the outcome continuum, the outcome being sought from the relationship for the construct is not provided.

Parties construct group

Business Focus and Objective. This construct articulated whether the parties could bring value to each other, work together, and interface into each other's businesses.

The characteristics ranged from there being no common objectives and perhaps even no real reason for the relationship in the first place, to there being an intimate understanding of the goals of both organisations and alignment of the services within those business goals. The supplier may be seen as an essential element and fully integrated into the business of the buyer. The outcome sought for this construct was seen as the point where there was alignment of a number of business goals of both organisations, reasonable added value provided through the relationship, and at least the key people of both organisations understood the business goals of both parties.

The 'Interpersonal Relationships' focused on the behaviour of individuals towards their counter-parts in the other organisation. At the worst end, characteristics were described as being arrogant or rude, or where one party is suspicious of the motives of the other, which then leads to a lack of trust. At the best end, the characteristics were that all people would be seen as part of an integrated team, leading to cooperative relationships and implicit trust. The outcome sought from the relationship was described as where the service facing people (at least)—these are employees who have direct contact with employees from the other organisation—have the correct attitude which sustains the relationship. Importantly one organisation recognised that although individuals could be acting in an honest and collaborative fashion, they would still be expected to act mainly in their own self-interest while recognising that they would also work in the interest of both parties.

The 'Governance' construct was discussed with passion in most interviews and described the internal ability of an organisation to present itself as a homogeneous entity, and then the external abilities of the combined organisations to work as a coordinated entity. It also encompassed the impact of organisational complexity, process maturity and decision-making ability. The characteristics ranged from there being no common direction and the potential for there to be dysfunctional internal governance or organisational bureaucracy. At the other end of the range, the transacting organisations would act as a single voice across a transparent interface, with honest sharing of risks and rewards, joint decision-making and ownership of decisions. This construct was quite complex and the potential is there for it to be broken down into further elements. The outcome sought was described as the point where there was a mature organisational

framework, both internally and externally between the parties, with well developed and implemented joint governance processes. Governance processes may also recognise the three-way relationship between the business unit(s) and the ITMU of the buyer, and the IT supplier.

The 'Leadership' construct encompassed the drive and direction of the senior managers of both organisations to facilitate the relationship and manage the risk. Characteristics at the worst end were where there was no drive, or at least no drive in a common direction, leading to the potential for a dysfunctional organisation. This could also include where the leadership team tried to negatively influence the other organisation in a win-lose mentality. The characteristics at the top end were described as where the individual leaders play mutually reinforcing roles, have shared decision-making on all matters, and try to positively influence outcomes to the benefit of both organisations. The outcome sought was seen as where there was at least one senior accountable person driving consistency across the organisation, with shared decision-making on matters that impact the other organisation(s). There may be some small concessions to the other organisation but influence would be mainly to benefit themselves.

The next construct, 'Quality and Skills of People', was another theme that created great passion. The construct was about whether the staff in both organisations had the skills, attitudes, and experience to achieve the role. This included in the buyer organisation having a clear understanding of what their strategic goals and service requirements were, with an ability to articulate these in an unambiguous fashion. In the supplier organisation this entailed an intimate understanding of their own products and services, and the breadth of knowledge to be able to apply these in the environment of the buyer organisation to create innovation and advantage. The characteristics ranged from the people having none of the required abilities to where they are fully competent, accepted and fully integrate with their partnering team, and can project this image to influence others. There was a notable clarification in an interview where it was felt that the supplier should also know and correctly interpret what the customer wants, even though there is incomplete information provided by the customer. The outcome sought from this construct was that all staff would be

confident in their own areas with a few staff having wider skills, leading to business requirements being met, and cautious confidence and trust being developed.

Atmosphere construct group

The 'Type of Relationship' construct is the first construct describing the atmosphere within which the relationship takes place. The characteristics described the continuum from at the worst end where the relationship is transactional and commodity-based, and where the parties would try to take advantage of the other, to at the best end where the organisations would act as though they are fully integrated with quantifiable business benefits flowing to both parties. The outcome sought was judged to be the top end characteristic, specifically because the organisations would work in a trustworthy and reliable fashion and provide added value through the integration and customisation of requirements, products and services.

The characteristics of the 'Trust and Integrity' construct ranged from there being little or no trust, where there was suspicion of the motives of the other organisation, and where all activities were scrutinised, to where there was implicit trust resulting in reduced compliance checking. It was felt that the top end of this continuum may be demonstrated through an open book policy and shared authority. The outcome sought was seen as where there was an open and honest relationship with increased risk sharing, perhaps with occasional compliance checks to ensure that trust was still warranted.

Environment construct group

The 'Business Environment' is the only construct recognised in this construct group, and discussion on it between interviewees at the group interview was particularly lively. The construct covered whether there were influences such as external political factors, external commercial pressures, strategic objectives, or the term of the contract, that were hindering the organisational relationship. Characteristics ranged from the worst end where it was just a supply relationship, with no motivation or interest in pushing past commodity type transactions. The relationship at this end of the continuum is likely to be short term and adversely impacted by external factors that the organisations are either unwilling or unable to overcome. At the best end the characteristics are that the organisations would work together in a cooperative, open,

and proactive fashion. They are enthusiastic about the role and the opportunity in the relationship, which is more aligned with strategic benefits than commodity transactions, and likely to be of a longer term to allow them to achieve the strategic objectives. At this level of working the organisations would understand any external influences on the other party and assist in their mitigation, either internally or externally with the cooperation of the other party. The interviewees believed that the outcome sought was at the top level.

Summary – Emerged Model and outcome sought

The preceding text on the description of constructs in the Emerged Model, and the outcome being sought from the relationship, is summarised and illustrated in Table 5.6.

Table 5.6 – Outcomes sought: Self-Managed case

Construct Group	Constructs	Outcome sought			
		Dissociated benefits	Low mutual benefit	Medium mutual benefit	High mutual benefit
Interaction process	* Financial - noted for prominence in dialogue but not a formal construct.		Not provided		
Parties	Business focus and objectives			✓	
	Interpersonal relationships			✓	
	Governance			✓	
	Leadership			✓	
	Quality, and skills of people			✓	
Atmosphere	Type of relationship				✓
	Trust, reliability and integrity			✓	
Environment	Business/political/social environment				✓

*In the table, a '✓' represents the outcome sought from a construct of the relationship model.

Current performance compared with the outcome sought

To confirm that the 'outcomes sought' were correctly positioned within the model, participants were asked as the last task of the group interview, to consider the outcome

that was currently being achieved, and locate this on the model. Where the current outcome was lower than the outcome sought, the participants were asked to discuss strategies that would raise the current outcome. The intent of this task was to have the participants further consider and justify their selection of the outcome being sought.

Current performance against the outcomes sought from the relationship is marked with a \diamond symbol in Table 5.7. Both symbols ($\diamond\checkmark$) in the same cell of the table indicates that the outcome sought is currently being met.

Table 5.7 – Performance against outcomes sought: Self-Managed case

Construct Group	Constructs	Outcome sought			
		Dissociated benefits	Low mutual benefit	Medium mutual benefit	High mutual benefit
Interaction process	* Financial – noted for prominence in dialogue but not a formal construct.	Not provided			
Parties	Business focus and objectives			$\diamond\checkmark$	
	Interpersonal relationships			$\diamond\checkmark$	
	Governance	\diamond		\checkmark	
	Leadership	\diamond		\checkmark	
Atmosphere	Quality, and skills of people	\diamond		\checkmark	
	Type of relationship			\diamond	\checkmark
Environment	Trust, reliability and integrity			$\diamond\checkmark$	
	Business/political/social environment			\diamond	\checkmark

*In the table, a ' \checkmark ' represents the outcome sought from a particular construct of the relationship model, and a ' \diamond ' represents the outcome currently being achieved.

Constructs where outcome is not currently being achieved

The outcomes sought from the organisational relationship were judged by the organisations as not being met in the constructs of: 'Governance', 'Leadership', 'Quality, and skills of people', 'Type of relationship', and the 'Business/political/social environment'.

It is noteworthy that 'Governance' was judged as not performing to the level of the outcome sought. This may be an issue that is particular to a relationship between organisations of a different sector, or specifically for Self-Managed Sourcing

relationships. By definition, in a Self-Managed Sourcing strategy a common governance regime established and closely managed by the purchaser (public sector) but covering all organisations in the arrangement, might be expected as a given. The governance might be either performed by the purchaser or obtained as a service from a third party.

Rather than 'Leadership' being fundamentally poor in the organisations, the current performance may reflect the fundamental difference (and perhaps frustration) between a highly regimented hierarchical public sector organisational structure, and the more free-flowing matrix-managed structure of the private sector. It may also reflect that leadership is a considerable challenge in a Self-Managed strategy given the varied parts that different organisations play, and ensuring that the services are integrated and provided effectively to the business units of the government agency. A final explanation may be the inherent difficulty of aligning the business aims and objectives of the varied participants, and hence the leadership of this task is seen as ineffective.

The dialogue analysis concluded that the theme on 'People (skills and understanding)', cited in eleven of the fifteen interviews and a total of 35 times, had a strong significance as a theme for organisational relationships. Although the statements on actual performance were balanced, the interviewees had robust opinions on the importance of having people in both organisations that had the right skills. The outcome sought was seen as the point that all staff would be confident in their own areas with a few staff having wider skills, leading to business requirements being met, and cautious confidence and trust being developed. It was not surprising then that outcome sought was not met on the 'Quality, and skills of people' construct given the importance placed on it

'Type of relationship' is a noteworthy construct. Its characteristics ranged from a transactional and commodity-based relationship where the parties would try to take advantage of the other, to where the organisations would act as though fully integrated with quantifiable business benefits flowing to both parties. The outcome sought was high mutual benefit, and the current organisational relationship was judged as being 'Medium mutual benefits'. This contrasts with the dialogue analysis where the theme 'Relationship (commodity based)' was mentioned in six of the fifteen interviews, and

for a total of nineteen times. This suggests that the type of relationship is commodity based and at a level of outcome of 'Dissociated benefits' or 'Low mutual benefits'. In conclusion, the findings support the view that the outcome being sought is not being achieved, but the dialogue suggests that actual performance may be lower down the outcome continuum than 'Medium mutual benefits'.

Interview comments reflected the fact that the Australian Government ICT outsourcing environment is complex for all parties, and to progress within the environment, the private sector needs to work within the Australian Government's policy guidelines, and the public sector needs to recognise the commercial nature of the relationship. It is not surprising then that the 'Business environment' construct was judged as not meeting the outcome sought, and it will be instructive to compare this outcome in the other cases.

Collaboration enablers to achieve collaboration

For constructs where the current performance of the organisational relationship was judged to be lower than the outcome sought, the participants were asked to consider collaboration enablers that may contribute to moving current performance to the outcome sought. The consolidated list of collaboration enablers is provided at Table D.4.

The detail of the collaboration enablers against each of the constructs where the outcome sought is not being achieved is instructive, but more illuminating are the themes that are common amongst the factors. The themes include:

- develop joint processes;
 - conduct cross-organisational education;
 - define roles and responsibilities;
 - identify the key people within the relationship;
 - conduct joint planning;
 - foster interest in, and understanding of, the other organisation;
 - staff rotations in other organisation;
 - informal and social contact between the organisations; and
 - engage the other party.
-

As would be expected, the themes are joint in nature and focused on developing the organisational relationship. Of more interest though is that the themes are focusing on matters that would add value to the relationship either through more efficient inter-working (reduction in costs), or through increased productivity that may potentially arise through initiatives such as staff rotations or cross-organisational education.

These themes and their potential to create opportunities or add value may be the basis of principles for the achievement of strategic collaboration within the Australian Government's ICT outsourcing environment. This must be further tested during the cross-case analysis.

Chapter summary

The purpose of this chapter has been to describe the analysis, and the findings of a case study into the Self-Managed Sourcing strategy, involving a government agency, a large ICT service provider, and a small company providing office automation equipment. A Self-Managed Sourcing strategy implies that the government agency would closely manage the provision of ICT services and only seek external assistance where they did not have the internal capability or capacity.

The Emerged Model from this Self-Managed Sourcing case study indicated that the most important aspects of the relationship are:

- Business focus and objectives;
- Interpersonal relationships;
- Governance;
- Leadership;
- Quality, and skills of people;
- Type of Relationship;
- Trust, reliability and integrity; and
- Business environment.

Of these eight aspects, they are mostly from the 'Parties' construct group which is about the organisations themselves, encompassing the people, the business strategies, and structure and governance. On the basis of the empirical data on the outcomes

sought from the constructs of the Emerged Model, the case study concluded that strategic collaboration was being sought. This is a significant finding as of all the case studies, the thesis contends that a self-managed sourcing strategy is the most likely to focus on commodity transactions—a theme that was identified at interview—and as a result, be seeking collaboration that is tactical.

Given the definition of a Self-Managed Sourcing strategy, it is noteworthy that ‘Governance’ and ‘Leadership’ were judged as not performing to the level of the outcome sought.

Chapter 6 – Single Sourcing case study

... firms come into being in order to enable human beings to achieve collaboratively what they could not achieve alone. If one accepts this as the true purpose of any organization, then the main focus of executives' attention should be on how to foster collaboration within their companies. Especially in an era when advantages based on traditional economies of scale and scope are rapidly diminishing ...

(Hansen and Nohria 2004, p.30)

This chapter describes the Single Sourcing case study, and provides an analysis of the dialogue and Developed Models from the interviews. The final sections of the chapter are an examination of the emerged relationship model, and analysis on the relationship outcome being sought.

The Single Sourcing case study was the second of the three cases studies to be completed, and involved a government agency and a large ICT service provider. The AGIMO definition of a Single Sourcing strategy is:

... ICT is predominantly run by a single external party under an SLA. (Australian Government Information Management Office 2007, p.1)

The definition implies that the government agency would to a large extent allow a single ICT supplier wide access to provide the services—to the degree that the government agency and the supplier might be seen as jointly responsible for the services, with the service provider's performance only monitored via the achievement of service levels.

This case study contributes a relationship model to the thesis, indicating that the most important aspects of the relationship, are those about the organisations themselves, and the episodes between the organisations. These relationship aspects cover items such as the people, the business strategies, and the nature of the relationship itself. This finding is consistent with the definition of Single Sourcing, as it might be expected that the day-to-day episodes—the daily provision of the services—would be a

prime focus of the relationship. On the basis of the model developed in the case study, the thesis concluded that strategic collaboration was being sought.

Environment of the case

The government agency is an Australian Government Department delivering government programs for certain sections of the Australian public. The agency is governed by a Secretary and reports directly to a Government Minister. It has approximately 2,500 staff across Australia. ICT services for the agency have been principally provided through an outsourcing arrangement with a major ICT outsourcing provider since the early 1990s. This arrangement has been benchmarked and renewed approximately every five years. Although the outsourcing arrangement is long-standing, over that time the Auditor-General has delivered several reports recommending that the agency strengthen its financial and service performance position, and more effectively monitor contract performance. At the time of the interviews the agency was in the early stages of conducting due diligence on how it might proceed on a future extension of the agreement.

Analysis of the interview data

Developed Models

The organisational relationship model developed by the government agency is attached at Table E.1, as an example of the richness of data collected at interview. The descriptive dialogue in this table has not been amended or consolidated to preserve the descriptions provided by the participants. Due to size constraints of this report, developed models from the ICT service provider is not provided, but is available for review if required. The constructs from the developed models from both organisations in this case study, presented against the Initial Framework, are provided at Table 6.1. The table captures whether a construct provided at interview, described similar characteristics to a construct in the Initial Framework.

The final column of Table 6.1 highlights constructs that were corroborated in the Single Sourcing case. To be deemed as corroborated for this case and in considering

the dyadic methodology, this thesis argues that constructs must be raised as an important factor, by both the public sector organisation and the private sector organisation. The process of corroborating constructs aligns with the research methodology of building theories from case studies, where potentially important constructs and characteristics are identified from the literature, and then tested and further developed through interviews.

Table 6.1 suggests that the organisations closely agree on the important factors that define a public-private organisational relationship. There are only three constructs where the organisation's selections did not coincide: 'Quality of the product/service', 'Interpersonal relationships', and the 'Quality, and skills of people'. These three constructs are highlighted in the table for clarity.

Table 6.1 – Corroboration against Initial Framework: Single Sourcing case

Construct group	Construct	Govt agency	ICT service provider	Corroborated constructs
Interaction process	Quality of product/service.	✓		
	Information sharing. Financial Communications.	✓	✓	✓
Parties	Business focus and objectives.	✓	✓	✓
	Interpersonal Relationships.		✓	
	Governance.	✓	✓	✓
	Leadership.	✓	✓	✓
	Incentive Alignment. Quality, and skills of people.	✓		
Atmosphere	Type of relationship.	✓	✓	✓
	Integration of cultures and ease of doing business.	✓	✓	✓
	Measurement systems			
	Trust, reliability and integrity. Degree of discussion.	✓	✓	✓
Environment	Business environment. Status that the relationship brings.			

* The shading in the table highlights constructs selected by one organisation, but not the other.

The closely aligned result illustrated in Table 6.1 might be explained by understanding that the ICT outsourcing arrangement has existed between the two organisations for

over eleven years. It might be assumed that this significant contract period has allowed the teams to develop a close and common understanding of the important aspects of their relationship.

Having stated that the closely aligned Developed Models of the organisations may be as a result of their lengthy alliance, it is useful to consider the three constructs where there was no alignment. The question being considered is: if these two organisations are closely aligned due to the length of their relationship, why are three constructs not aligned? There may be several possibilities:

- They both agree on the construct however one organisation considered other constructs to be more important and hence did not select it. This explanation will be further explored during the analysis of the interview dialogue.
- It may be that even though the organisations are closely aligned as a result of their lengthy time in working together, there are still some differences in what they consider to be important constructs in a public-private relationship.
- These constructs might be of current importance to either organisation, in other words, there may be a current issue between the organisations or with the performance of the services and these constructs cover that concern.

It is also useful to consider in Table 6.1, those constructs not recognised by either organisation. From a negative sense, the organisations are agreeing that these constructs are not important in defining a public-private relationship in an ICT Single Sourcing arrangement. The seven constructs not recognised by either organisation were: 'Information sharing', 'Financial', 'Incentive alignment', 'Measurement system for projects and the relationship', 'Degree of discussion', 'Business environment', and the 'Status that the relationship brings'.

The 'Information sharing' construct should not be confused with the construct on 'Communication' and hence this is not a point about the lack of dialogue between the parties. The 'Information sharing' construct is about organisational interactions being leveraged through the sharing of important business information. Several commentators (Bakos and Brynjolfsson 1993, pp.50-1; den Hengst and Sol 2001, p.132) discussed the links between information sharing, number of suppliers, and the use of IT systems to facilitate, as a means of reducing transaction costs in outsourcing

arrangements. It may be that this construct has less importance in a Single Sourcing arrangement where there is a more one-to-one relationship.

The 'Financial' construct encompasses requirements such as value for money from the government agency's perspective, and potential for profit from the viewpoint of the ICT service provider. Given that the two organisations have been working together for over eleven years which has included a number of contract renewals where services pricing is benchmarked for value for money, it may be that both organisations do not see the financial aspects of the relationship as important.

'Incentive alignment' is about the incentive of the teams working on the project within their own organisations, and cooperatively across the organisations. This construct was included by both private sector organisations in the Self-Managed case. If it was selected by the ICT service provider in this case, a possible explanation could be that incentive alignment is a private sector notion only and therefore not appropriate in defining a public-private relationship. It was not selected by the ICT service provider which weakens this argument, however it may still be a valid explanation and this requires further examination during the cross-case analysis.

As also occurred in the Self-Managed case, the construct of the 'Measurement system for projects and the relationship' was not recognised, and that no measurement system for performance was mentioned during the interviews. Given the importance that the government agency placed on the transaction and metrics type constructs in the 'Interaction Process' construct group, it is surprising that they also did not regard this as an important construct. There are no obvious explanations at this stage as to why the construct was not included.

'Degree of discussion' is a construct about the interaction between the organisations in areas such as decision-making, seeking assistance with business issues, and the transfer of knowledge. The 'Degree of discussion' was an issue raised by the senior executive of the ICT service provider at interview but it was not a view shared by all the interviewees and therefore not included as part of that organisation's Developed Model. 'Degree of discussion' was also not raised by the government agency in the Self-Managed case, leading to the view that it is not a construct that is considered

important by the public sector. This observation needs to be further reviewed in the cross-case analysis.

The 'Business environment' construct is about knowing the political, economic, social, and technological factors affecting the business of both organisations. The government's ICT outsourcing program was discussed numerous times in the interviews, however the focus by both organisations was how this programme translated into their business focus and objectives. This is reflected in the selection of the business focus and objectives construct by both organisations and the duplication may be a shortcoming of the Initial Framework.

The final construct not selected by either organisation was the 'Status that the relationship brings'. A possible explanation for this outcome could again be the significant length of time that these two organisations have been working together.

In summary, a comparison of the relationship models developed by the organisations, suggests that they closely agree on the important factors that define a public-private organisational relationship. This outcome might be explained due to the significant contract period between the organisations that has allowed the teams to develop a close and common understanding of the important aspects of their relationship. Constructs not selected by either organisation were analysed. It was considered that constructs such as 'Information sharing' were not selected as they were not of prime importance in a Single Sourcing arrangement, and other constructs such as 'Incentive alignment' and 'Degree of discussion' may not be appropriate in public-private arrangements. These observations need to be further considered in the cross-case analysis.

Interview dialogue

Interview dialogue transcripts were coded and dialogue themes developed using the NVivo[®] computer software tool. The relative importance of the themes, as indicated by the total number of citations raised during the interviews, is captured in Table E.2. The most prominent themes from Table E.2, based the total number of citations and being reasonably equally cited by both organisations, are copied into Table 6.2. As an

example, the theme on ‘Trust and confidence’ was cited in nine of the twelve interviews across both organisations, and for a total of 43 times in the nine interviews.

The purpose of Table 6.2 is for later use in comparing the most prominent dialogue themes against the corroborated constructs. A query would be raised for example, if there was lots of discussion in the interviews about a particular theme, i.e. a prominent theme, and then no corresponding corroborated construct in the model.

Table 6.2 - Most prominent interview dialogue themes: Single Sourcing case

Themes (NVivo® Nodes)	Number of interviews where the theme was cited			Total number of citations		
	Government	ICT	Total	Government	ICT	Total
	agency	service provider		agency	service provider	
Collaboration (benefits)	3	2	5	7	2	9
Communication	3	2	5	7	7	14
Governance (leadership)	2	3	5	9	13	22
People (attitude)	3	3	6	7	7	14
Relationship (business alignment)	4	2	6	11	8	19
Public Sector (services) Environment	5	2	7	11	2	13
Relationship (value based)	5	3	8	13	3	16
Trust and confidence	5	4	9	28	15	43

Given the prominence of these themes, a number of selected statements from the interviews are captured below, to provide a sense of the feeling of the participants on the themes. For the theme on ‘Trust and confidence’:

Trust to me encompasses many things. Not only confidence, it is trust that you are playing by the spirit of things. The spirit of things is to provide a service back to the client base as a team of service providers. [Service Manager, Government agency]

... the important ones for me are definitely trust ... you need a lot of things, be it decisions, be it whatever ... need to be built off trust of the people, trust of the skill sets, trust of their understanding of the corporate knowledge of how our environment is. Quite often you can see some of those lacking that would definitely be an improvement on [the organisational relationship]. [Director, Government agency]

... so mutual trust and respect ... you just get on and deliver the task at hand as a team regardless of what badge you wear, regardless of who you work for. [Service Manager, Government agency]

You wouldn't trust them with your life, but you would be confident that what people are telling you, you could believe that people were being honest with each other. [Director, Government agency]

I don't trust them at the moment, they have lost my trust with what has been happening lately ... due to circumstances. [ICT service provider, Senior Manager]

On the other themes:

'Collaboration (benefits)' ... I believe that pretty much every organisation shouldn't be totally static and should be reviewing itself ... can we do things better ... and looking for change all the time. If they have a well trusted vendor then they will be helping them with that change. So not radical change, but doing things a bit better, a bit quicker. [ICT service provider, Senior Manager]

'Governance (leadership)' ... I don't think that in ICT that there is enough of an emphasis on leadership and management, there is a huge distinction ... from what I see in ICT, management control money, they make decisions that are important but I don't think that true leadership is an important factor. [ICT service provider, Service Manager]

'People (attitude)' ... no, it's an attitude that you are overpaid, under-worked, you are only ever trying to work out how to wriggle out of your contract obligation. You are here and you have taken the jobs of my colleagues away, and you are being paid a higher personal reward to do that job ... you haven't got anywhere near as much responsibility, you are a parasite on the back of my organisation. [ICT service provider, Senior Executive]

'Relationship (business alignment)' ... in my experience to collaborate well, both parties need to have an understanding of both party's goals so that they can work towards them as goals together, instead of separately. [ICT service provider, Service Manager]

'Relationship (value based)' ... there is an acknowledged equal stake in the outcomes of the work that we do. The success of one is the success of both ... [ICT service provider, Senior Executive]

The themes from the dialogue analysis are further grouped to ensure that meaning was not lost due to inadequate coding of the interviews. Themes were grouped under the categories of 'Type of relationship', 'Governance', and 'People' are shown in Table 6.3.

The high number of citations grouped under the theme of 'Type of relationship' and 'Governance' is worth highlighting. At around sixty citations each across the twelve interviews, they were each mentioned on average about five times in every interview. It

is no surprise then that the ‘Type of relationship’ and ‘Governance’ constructs were also identified in the relationship model.

Table 6.3 – Main theme groupings: Single Sourcing interviews

Group	Themes	No. of citations
Type of relationship (the day-to-day business environment)	Value based	16
	Commodity based	10
	Bureaucratic	10
	Co-labouring	7
	Develops over time	4
	Competitive or combative	2
	Varies over time	5
	Meets business objectives	2
	Agile	2
	Open and visible	1
	No barriers	1
		Total
Governance (the interaction on day-to-day transactions)	Leadership	22
	Understanding goals and strategies	14
	Communication	14
	Performance	9
	Processes	6
	Consultation	1
	Total	66
People (personal traits)	Personalities	3
	Attitude	14
	Personal relationships	4
	Influence on outcomes	4
	Total	25

The interesting grouping of themes is about ‘People’. The ‘Interpersonal relationship’ construct in the model was only selected by the ICT service provider, however the total of 25 citations suggests that people issues were discussed on average at least twice in every interview across the case. This would suggest that it is a construct of importance for the organisations.

Table 6.4 provides a comparison between the constructs of the relationship model developed by the interviewees, and an analysis of their dialogue during the interviews, as provided in Table 6.2.

Table 6.4 – Constructs vs. dialogue themes: Single Sourcing case

Construct group	Construct	Corroborated constructs	Prominent dialogue themes
Interaction process	Quality of product/service.		
	Information sharing.		
	Financial.		
	Communications.	✓	✓
Parties	Business focus and objectives.	✓	✓
	Interpersonal Relationships.		✓
	Governance.	✓	✓
	Leadership.	✓	✓
	Incentive Alignment.		
	Quality, and skills of people.		
Atmosphere	Type of relationship.	✓	✓
	Integration of cultures and ease of doing business.	✓	
	Measurement systems for projects and the relationship.		
	Trust, reliability and integrity.	✓	✓
	Degree of discussion.		
Environment	Business environment.		✓
	Status that the relationship brings		

* Shading in the table highlights a prominent dialogue theme that does not have a corresponding construct.

There was a reasonable match between the constructs and the themes as might be expected, with the major differences being: ‘Interpersonal relationships’, ‘Integration of cultures and ease of doing business’, and ‘Business environment’. The constructs with a mismatch are highlighted in the table for clarity.

The grouped dialogue themes on ‘People’ (in Table 6.3) indicated that this construct had reasonable importance for the organisations, and on the basis that it was selected as a important construct by the ICT service provider, ‘Interpersonal relationships’ was included as construct in the Emerged Model for this case study.

‘Integration of cultures and ease of doing business’ is a construct selected by both agencies but it is not shown as a prominent dialogue theme. This has occurred as this was not a theme chosen during the coding of the dialogue. However, Table E.2 which

provides the full summary of the coding for all interviews, shows a number of themes such as 'Organisational culture', 'Governance (processes)', 'Relationship (co-labouring)', and 'Relationship (bureaucratic)', which indicate that there was considerable dialogue on the integration of cultures and ease of doing business. The construct should therefore remain as a valid construct in the Emerged Model.

The 'Business environment' was also strongly cited in the dialogue however this was mainly in discussion by the government agency on the public sector services environment, with numerous comments on the government's outsourcing agenda. Given that neither organisation raised this as an important construct, it was not promoted into the Emerged Model.

In summary, the analysis of the interview dialogue was an important method in applying rigour and testing validity in the research. Matching dialogue themes against the constructs of the Developed Models provided valuable check to ensure that the interviewees are not presenting one view of the organisational relationship in their Developed Model, whilst describing something different in their rhetoric. As a result of the comparison of the constructs of the development model and the prominent themes of the interview dialogue, the construct of 'Interpersonal relationships', was included in the Emerged Model for this case.

Summary – Analysis of interview data

The organisations in this case considered that the defining constructs of a public-private relationship were:

- communications;
 - business focus and objectives;
 - interpersonal relationships;
 - governance;
 - leadership;
 - type of relationship;
 - integration of cultures and ease of doing business; and
 - trust, reliability and integrity.
-

Constructs not selected by either organisation were analysed. It was considered that constructs such as ‘Information sharing’ were not selected as they were not of prime importance in a Single Sourcing arrangement, and other constructs such as ‘Incentive alignment’ and ‘Degree of discussion’ may not be appropriate in public-private arrangements. These observations need to be further considered in the cross-case analysis.

The Emerged Model

The emerged organisational relationship model is a consolidation of the Developed Models from each organisation, reviewed against the Initial Framework, and after considering the interview dialogue. The final Emerged Model for the Single Sourcing case is provided at Table E.3, and for the sake of brevity, the structure is repeated in Table 6.5, less the outcome characteristics.

Table 6.5 – Emerged Model: Single Sourcing case

Construct group	Construct
Interaction process	Communications.
Parties	Business focus and objectives. Interpersonal Relationships. Governance. Leadership.
Atmosphere	Type of relationship. Integration of cultures and ease of doing business Trust, reliability and integrity.
Environment	

Description of the constructs

‘Interaction process’ construct group

The ‘Communications’ construct was about the contact between the organisations, with the realisation that in any business arrangement, there was never going to be complete openness from the government agency or the ICT service provider. This construct should not be confused with the ‘Information sharing’ construct which is about the sharing of important business information to leverage organisational efficiency. The

characteristics of the communications construct ranged between there being no communications with parties having to look for information and chase people down, to proactive, open and truthful communications where the emphasis is that everyone has the information available to perform their duties. The outcomes sought for this construct was for there to be proactive, open and truthful communications.

'Parties' construct group

'Business focus and objective'. This construct articulated whether the parties could bring value to each other, work together, and interface into each other's businesses. The characteristics ranged from where the parties argue about everything and the organisational relationship is characterised as being competitive, with each organisation only interested in their own performance metrics. The outcome of high mutual benefit was characterised by there being a genuine interest in working together and the parties have combined goals within the business bounds and each organisation has an understanding of the other's business objectives. At this highest outcome, there would be a symbiotic relationship where both parties realise that without the other, they are somewhat diminished, and they take that attitude into all aspects of their business relationship. The outcomes sought by the organisations from no relationship is the media mutual benefit, where the parties recognise that there will always be differences of view, but they deal with these with the objective of coming to an agreement that both parties can live with and thrive on.

The 'Interpersonal relationships' construct focused on the behaviour of individuals towards individuals in the partnering organisation, and the resulting impact on the relationship. Where the outcome was only benefiting one organisation, the characteristics were described as there being desperate and potentially opposite views between individuals and at its worst case a contemptuous attitude with the view that the other people were inferior and subservient. The characteristics for the best outcome were described as there being an underlying attitude that the success of one organisation is the success for both and that the individuals understand the benefits of combined goals and teaming. The outcome sought was 'Medium mutual benefits', where the individuals understand the multiple and separate goals of both

organisations and seek to accommodate them. There is also an understanding by all individuals about why they are there, and on their roles in working together.

The 'Governance' construct described the internal ability of an organisation to present itself as a homogeneous entity, and the external abilities of the combined organisations to work as a coordinated entity. The characteristics along the outcome continuum ranged from there being no processes and procedures in place, or there being an inordinate amount of bureaucracy that creates ponderous processes, to there being process flexibility which honoured the correct level of probity and governance requirements of both organisations, but is flexible enough to suit the appropriate circumstances. The outcome being sought by the organisations was that of 'Medium mutual benefits', which was described as the processes and procedures being in place and implemented, with an understanding that none of them will be perfect at all times and ongoing attention will be necessary.

The 'Leadership' construct encompassed the drive and direction of the senior managers of both organisations to facilitate the relationship and manage the risk. Characteristics for the outcome where there was a 'Dissociated benefits', was where the leadership focus is on cost rather than furthering the business outcomes and there are separate decision-making and announcements even though there are impacts on the other organisation. At the other end of the outcome continuum, the characteristics are that there is genuine leadership that understands the motivators in the organisations and people, and adds to the synergy of the working relationship. Decisions are discussed and agreed between the stakeholders prior to being announced, and the leadership team is united both within each organisation and between the organisations. The outcome being sought by the organisations is for 'High mutual benefits', with the characteristics of a united leadership team that has a shared understanding of, and willingness to implement the visions of both organisations.

'Atmosphere' construct group

The 'Type of relationship' construct describes the atmosphere within which the relationship takes place. At the bottom end of the continuum the outcome is characterised as a commodity relationship doing transaction business, with the

organisations providing no significant benefit to the other organisation. There may also be explicit ignorance in understanding the other organisations business goals and strategies. At the high end of the outcome continuum the relationship is characterised by the organisations understanding the business of the partner organisation and bringing forward opportunities that add business value. The organisations are agile and adjust to new and changing requirements, with a win-win for both through the provision of unasked for added value. The outcomes sought by the organisations was that of 'Medium mutual benefits', where there was some understanding of the other's goals and strategies, with both organisations working to achieve these. There may also be some engagement on exposed business requirements. This means that the supplier for example may be asked to propose solutions for a business outcome of the government agency, rather than being asked to provide a predetermined range of services that supports the business outcome.

'Integration of cultures and ease of doing business' is a construct about how effectively and efficiently the organisations can work together. The characteristics along the outcome continuum range from there being mutual mistrust and questioning of the motives of the other organisations, to at the 'High mutual benefits' end of the continuum, where the organisations recognise the importance of being culturally aligned and are able to speak their minds with a no-blame or no-fault approach. At this highest end the atmosphere is ego-less and there is a very high degree of respect between the staff at all levels. The outcome being sought by the organisations is for 'Medium mutual benefits', which is characterised by the relationship being relatively open, transparent and communicative, but still fundamentally insular. The culture is aligned due to the shared visions of the organisations, things are in control and the organisations believe that they are able to keep it that way, because things are predictable.

The last construct that the organisations in the Single Sourcing case believed was a defining construct in a public-private relationship, was 'Trust, reliability and integrity'. The characteristics described in the outcome continuum ranged from there being no trust, distrust, or lack of respect where the motives of the other party may be questioned, too at the top end of the continuum where the relationship is characterised by a high level of trust, and the attitude is ... that seems to be reasonable.

The outcome being sought by the organisations was the ‘High mutual benefits’ at the top end of the continuum. Other characteristics are that there would be it implicit trust, shared risk, and a minimum frequency and depth of checking that was aligned to meet the business and regulatory requirements of the organisations.

Summary – Emerged Model and outcome sought

The preceding text on the description of constructs in the Emerged Model and the outcome being sought from the relationship is summarised and illustrated in Table 6.6.

Table 6.6 – Outcomes sought: Single Sourcing case

Construct group	Constructs	Relationship outcome sought			
		Dissociated benefits	Low mutual benefit	Medium mutual benefit	High mutual benefit
Interaction process	Communications.				✓
Parties	Business focus and objectives			✓	
	Interpersonal relationships			✓	
	Governance			✓	
	Leadership				✓
Atmosphere	Type of relationship			✓	
	Integration of cultures and ease of doing business			✓	
	Trust, reliability and integrity				✓
Environment					

*In the table, a ‘✓’ represents the outcome sought from a construct of the relationship model.

Current performance compared with the outcome sought

To confirm that the ‘outcomes sought’ were correctly positioned within the model, participants were asked as the last task of the group interview, to consider the outcome that was currently being achieved, and locate this on the model. Where the current outcome was lower than the outcome sought, the participants were asked to discuss

strategies that would raise the current outcome. The intent of this task was to have the participants further consider and justify their selection of the outcome being sought.

Current performance against the outcomes sought from the relationship is marked with a \diamond symbol in Table 6.7. Both symbols ($\diamond\checkmark$) in the same cell of the table indicate that the outcome sought is currently being met.

Table 6.7 - Performance against outcomes sought: Single Sourcing case

Construct group	Constructs	Relationship outcome sought			
		Dissociated benefits	Low mutual benefit	Medium mutual benefit	High mutual benefit
Interaction process	Communications				$\diamond\checkmark$
Parties	Business focus and objectives		\diamond	\checkmark	
	Interpersonal relationships			$\diamond\checkmark$	
	Governance		\diamond	\checkmark	
	Leadership		\diamond		\checkmark
Atmosphere	Type of relationship		\diamond	\checkmark	
	Integration of cultures and ease of doing business			$\diamond\checkmark$	
	Trust, reliability and integrity		\diamond		\checkmark
Environment					

*In the table, a ' \checkmark ' represents the outcome sought from a particular construct of the relationship model, and a ' \diamond ' represents the outcome currently being achieved.

Constructs where outcome is not currently being achieved

There were five outcomes sought from the organisational relationship that were judged as not currently being met: business focus and objectives; governance; leadership; type of relationship; and the 'Trust, reliability and integrity'.

Both organisations were seeking the same outcome and described similar characteristics for the 'Business focus and objectives' construct. The outcome sought was that of 'Medium mutual benefits' and the organisations described this as where there was a conceptual understanding of the business goals of the other party, and a clear understanding of the boundaries of the roles and responsibility of the organisations. The organisations also agreed that the relationship was not yet at that

level of outcome, and felt that the current level was a limited understanding of the business goals of the other party and operation in strict accordance with the processes and parameters of the contract.

The 'Governance' construct was judged by the ICT service provider as currently performing to the outcome being sought, and it was the view of the government agency that drove the current performance lower. Both organisations described characteristics on processes and procedures across the outcome continuum, and the government agency also included characteristics on resourcing. Given that there were a number of adverse comments during the interviews on resourcing by the government agency, it was felt that this issue may have been the most likely reason for the government agency judging governance at a lower level.

'Leadership' was the first of two constructs with the worst performance against the outcome being sought. The outcome sought was at the top of the continuum, and current performance being only at the outcome level of Low mutual benefit. The characteristic for leadership at the current performance level was described as there are too many chiefs and the direction is disjointed, creating inefficiency and frustration. This is a wide gap to the outcomes sought of united leadership teams, within and between the organisations.

'Type of relationship' is a notable construct. Its characteristics ranged from a transactional and commodity-based relationship where the parties would try to take advantage of the other, to where the organisations would act as though fully integrated with quantifiable business benefits flowing to both parties. The outcome sought was 'Medium mutual benefits', and the current organisational relationship was judged as being Low mutual benefit. This contrasts with the dialogue analysis where the theme 'Relationship (commodity based)' was mentioned in six of the fifteen interviews, and for a total of nineteen times. In other words, suggesting that the type of relationship is commodity based and at a level of outcome of 'Dissociated benefits'. In conclusion, the findings support that the outcome being sought is not being achieved, but the dialogue suggests that actual performance may be lower down the outcome continuum than Low mutual benefit.

The 'Trust, reliability and integrity' construct was the second of the constructs with the greatest gap between current performance and the outcome sought by the organisations. The organisations both agreed that the outcome being sought was high mutual benefit which they characterised as being implicit trust with a minimum level of checking, with an open relationship where there was an ability to discuss any issue without hostility. Unfortunately they also agreed that the current level of performance was only at the outcome level of 'Low mutual benefits'. Characteristics for this outcome were that trust was limited to elements that are less critical to the business, and there may be some suspicions on the motivations of the other party.

Collaboration enablers to achieve collaboration

For constructs where the current performance of the organisational relationship was judged to be lower than the outcome sought, the participants were asked to consider Collaboration Enablers that may contribute to moving current performance to the outcome sought. The consolidated list of Collaboration Enablers is provided at Table E.4.

There are a number of common themes within the collaboration enablers:

- get to know the other organisation better;
- work together;
- understand the working environments so that innovation can be purposeful and add value;
- innovation needs to be targeted and well rehearsed prior to implementation;
- leadership of the relationship, not management of the contract; and
- build trust gradually by building confidence.

The interesting aspect of the themes is that firstly they seem out-of-place for organisations that have been working together for over eleven years, and secondly, they were generic and negative, as though there was no enthusiasm for the relationship and drive from senior management to develop into the next beneficial stage.

An explanation may be that although the organisations have been working together for over eleven years, the current senior management teams have only been in place for just over twelve months. In addition the term of the underlying contract is coming to a stage where the government agency needs to decide whether to offer the existing

service provider an extension, or to put the services to the market. Both of these matters may be creating an unusually tense environment.

Chapter summary

The purpose of this chapter has been to describe the analysis, and the findings of a case study into the Single Sourcing strategy, involving a government agency and a large ICT service provider. A Single Sourcing strategy implies that the government agency would to a large extent allow a single ICT supplier wide access to provide the services, with the service provider's performance only monitored via the achievement of service levels.

The Emerged Model from this Single Sourcing case study indicated that the most important aspects of the relationship are:

- Communications;
- Business focus and objectives;
- Interpersonal relationships;
- Governance;
- Leadership;
- Type of Relationship;
- Integration of cultures and ease of doing business; and
- Trust, reliability and integrity.

Of these eight aspects, there is reasonable representation across both of the 'Parties', and the 'Atmosphere' construct groups. These construct groups encompass matters about the organisations themselves and the episodes between the organisations: such as the people, the business strategies, and the nature of the relationship itself. This finding is consistent with the definition of Single Sourcing, as it might be expected that the day-to-day episodes—the daily provision of the services—would be an important focus of the relationship. This is because the government agency would want to get out of the way and let the ICT service provider deliver the services, whilst monitoring the daily provision of the services, and hence the performance of the service provider. A number of interesting comments were highlighted in the case, most notably where the

ICT service provider felt as though the government agency was over-stepping its mark, and becoming more involved than just a hands-off monitoring of performance.

On the basis of the empirical data on the outcomes sought from the constructs of the Emerged Model, the case study concluded that strategic collaboration was being sought.

Chapter 7 – Multi-Sourcing case study

An alliance usually gets defined from the start by service level agreements about what each side will contribute, not by what each side hopes to gain. The agreements focus on operational metrics rather than on strategic objectives.

(Kaplan et al. 2010, p.117)

This chapter describes the Multi-Sourcing case study, and provides an analysis of the dialogue and Developed Models from the interviews. The final sections of the chapter are an examination of the emerged relationship model, and analysis on the relationship outcome being sought.

The Multi-Sourcing case study was the last case study to be completed, and involved a government agency and a large ICT service provider. The AGIMO definition of a Multi-Sourcing strategy is:

... ICT is predominantly run by multiple external parties under one or several SLAs. (Australian Government Information Management Office 2007, p.1)

The definition simply states that multiple ICT suppliers are providing the ICT services, and their performance is measured against service levels. The definition is notable for what it doesn't say—that it, it does not provide insight into the governance arrangements between the government agency and the multiple service providers. The governance arrangement may have an impact on the findings of this case study. Two contrasting governance options might be:

- the government agency provides the 'management layer' and as a result, has a direct relationship with all service providers, or
- one of the service providers also provides the 'management layer', in which case the government agency would have an indirect relationship with several of the service providers.

The ICT service provider used in this case study, had a direct relationship with the government agency and the matter is not further considered in this thesis. However, the point remains as a consideration for future research in this area.

This case study contributes a relationship model to the thesis, indicating that the most important aspects of the relationship, are those about the organisations themselves, and the episodes between the organisations. This finding is consistent with the definition of Multi-Sourcing, as it might be expected that the day-to-day episodes—the daily provision of the services, and perhaps also, the inter-working with other service providers—would be a prime focus of the relationship. On the basis of the model developed in the case study, the thesis concluded that strategic collaboration was being sought.

Environment of the case

The government agency is a very large Australian Government statutory agency delivering government programs to the Australian public. The agency is governed by a Secretary and reports directly to a Government Minister. It has approximately 27,000 staff across 1,000 service delivery points in Australia. ICT services have been delivered through the management of a number of major outsourcing contracts, as a panel of strategic suppliers, since the early 2000s. The ICT service provider used in this case has been one of the panel of strategic suppliers for the past eight years. The strategic supplier panel is benchmarked every 3 years prior to renewal, to ensure that ‘best value for money’ is being obtained. At the time of the interview, the arrangement with the ICT service provider had just been renewed for a further three years.

Analysis of the interview data

Developed Models

The organisational relationship model developed by the ICT service provider is attached at Table F.1, as an example of the richness of data collected at interview. The descriptive dialogue in this table has not been amended or consolidated to preserve the descriptions provided by the participants. Due to size constraints of this report, the Developed Model from the government agency is not provided, but is available for review if required. The constructs from the Developed Models from both organisations in this case study, presented against the Initial Framework, are provided at Table 7.1. The table captures whether a construct provided at interview, described similar characteristics to a construct in the Initial Framework.

The final column of Table 7.1 highlights constructs that were corroborated in the Multi-Sourcing case. To be deemed as corroborated for this case and in considering the dyadic methodology, constructs must be raised as an important factor in defining a public private relationship, by the public sector organisation and the private sector organisation. The process of corroborating constructs aligns with the research methodology of building theories from case studies, where potentially important constructs and characteristics are identified from the literature, and then tested and further developed through interviews.

Table 7.1 – Corroboration against Initial Framework: Multi-Sourcing case

Construct group	Construct	Government agency	ICT service provider	Corroborated constructs
Interaction Process	Quality of product/service. Information sharing. Financial Communications.			
Parties	Business focus and objectives.	✓	✓	✓
	Interpersonal Relationships.	✓	✓	✓
	Governance.	✓	✓	✓
	Leadership.		✓	
	Incentive Alignment. Quality, and skills of people.	✓	✓	
Atmosphere	Type of relationship.	✓	✓	✓
	Integration of cultures and ease of doing business.	✓	✓	✓
	Measurement systems			
	Trust, reliability and integrity. Degree of discussion.	✓	✓	✓
Environment	Business environment. Status that the relationship brings.			

* The shading in the table highlights constructs selected by one organisation, but not the other.

The closely aligned result illustrated in Table 7.1 might be explained by understanding that the ICT outsourcing arrangement has existed between the two organisations for

over fifteen years, and has been renewed recently for another four years. In addition, the majority of the people in both organisations have been on the account, and working together for a number of years. This significant contract period and the long-lived association between the people would have allowed the teams to develop a close and common understanding of the important aspects of their relationship.

The purpose of Table 7.1 is to illustrate corroborated constructs, however the alignment between the organisations on construct selections (✓) and non-selections (a blank cell), suggests that they closely agree on the important factors that define a public-private organisational relationship. Of the seventeen constructs in the Initial Framework, there are only three constructs where the organisation's selections did not coincide: 'Leadership', 'Incentive alignment', and the 'Quality, of the skills of the people'. These three constructs are highlighted in the table for clarity.

There may be several possibilities for the non-alignment of the three constructs:

- The organisations both agree on the construct however one considered other constructs to be more important and hence did not select a particular construct. This explanation will be further explored during the analysis of the interview dialogue.
- It may be that even though the organisations are closely aligned as a result of their lengthy association, there are still some differences in what they consider to be important constructs in a public-private relationship.
- These constructs might be of current importance to either organisation, in other words, there may be a current issue between the organisations or with the performance of the services and these constructs cover that concern.
- There are external factors influencing the relationship.

These possibilities are considered in a later section in conjunction with the analysis of the interview dialogue.

Interview dialogue

Interview dialogue transcripts were coded and dialogue themes developed using the NVivo[®] computer software tool. The relative importance of the themes, as indicated by

the total number of citations raised during the interviews, is captured in Table F.2. The most prominent themes from Table F.2, based the total number of citations and them being reasonably equally cited by both organisations, are copied into Table 7.2. As an example, the theme on ‘People (influence and outcomes)’ was cited in all eleven interviews in the case, and for a total of 32 times in the eleven interviews – in other words, on average almost three times in every interview. The purpose of Table 7.2 is for later use in comparing the most prominent dialogue themes against the corroborated constructs.

Table 7.2 – Most prominent interview themes: Multi-Sourcing case

Themes (NVivo® Nodes)	Number of interviews where the theme was cited			Total number of citations		
	Govt agency	ICT service provider	Total	Govt agency	ICT service provider	Total
People (personal relationships)	4	4	8	6	12	18
Organisational Culture	5	3	8	10	11	21
Relationship (value based)	4	4	8	11	17	28
Governance (risk management)	5	3	8	16	15	31
People (skills & understanding)	5	3	8	31	6	37
Public sector Environment	4	4	8	36	7	43
Governance (leadership)	4	6	10	5	26	31
People (influence on outcomes)	5	6	11	10	22	32

There is a noteworthy outcome illustrated in the last four themes of Table 7.2. All four themes were cited strongly by both organisations, however the ICT service provider raised the last two themes much more strongly than the government agency, and the reverse is true for the two themes before that. This indicates that while both organisations agreed that these were important themes, their emphasis differed. This suggests that the ICT service provider considered that the most important factor in a public-private relationship was strong leadership influencing the outcome, whereas the government agency thought that the most important factor was the public sector environment itself (legislative and policy), requiring people with the requisite skills (purchasing and contracting) and understanding of the environment to be able to work within it. If this is an accurate assessment it may indicate a difficulty in the two organisations working together on progressing the relationship.

Table 7.3 provides a comparison between the constructs of the relationship model developed by the interviewees, and an analysis of their prominent dialogue themes during the interviews (Table 7.2).

Table 7.3 – Constructs vs. dialogue themes: Multi-Sourcing case

Construct group	Construct	Corroborated constructs	Prominent dialogue themes
Interaction process	Quality of product/service.		
	Information sharing.		
	Financial.		
	Communications.		
Parties	Business focus and objectives.	✓	✓
	Interpersonal Relationships.	✓	✓
	Governance.	✓	✓
	Leadership.		✓
	Incentive Alignment.		
	Quality, and skills of people.		✓
Atmosphere	Type of relationship.	✓	✓
	Integration of cultures and ease of doing business.	✓	✓
	Measurement systems for projects and the relationship.		
	Trust, reliability and integrity.	✓	
	Degree of discussion.		
Environment	Business environment.		
	Status that the relationship brings		

* Shading in the table highlights a prominent dialogue theme that does not have a corresponding construct.

There was a reasonable match between the constructs and the themes as might be expected, with the major differences being: ‘Leadership’, ‘Quality, and skills of people’, and ‘Trust, reliability and integrity’. The constructs with a mismatch are highlighted in the table for clarity.

The construct of the ‘Quality, and skills of the people’ is identified as an important construct in the model by the ICT service provider, but not by the government agency. However, this is a quandary since there are a large number of citations on the theme. This is further demonstrated in **Error! Reference source not found.** where related

people themes from the government agency interviews are grouped. A suggested explanation for this result comes from re-examining the dialogue.

Table 7.4 - People theme groupings

Group	Themes	No. of citations
People	Skills and understanding	31
	Influence on outcomes	5
	Procurement skills	3
	Tenure and handover for stability	3
	Background expertise	6
	Total	48

In the interviews, the government agency discussed the knowledge and suitability of people for their role a number of times, but focussed their comment mainly on the people skills in the ICT service provider. Selected interview comments are provided below to suggest a possible reason why the government agency discussed people issues but did not see that the 'Quality, and skills of people' was not important enough to be included as a construct of the Developed Model.

I refuse to talk to the salespeople ... if I am talking to you then I am talking to the CEO of the company because that is my job. [Government agency, Senior Executive]

Now the local [ICT service provider staff] are very sincere. I have no doubt about that, very sincere and collaborative, working together, making a buck, but are generally sincere. But once you get past them I don't believe that there is any sincerity there at all because the accountants and lawyers ... takeover. And they cannot get past that. [Government agency, Senior Advisor]

They have got architects, and software engineers, and premium service program support people ... and they are all people, they have got the right intentions of giving us the best person for the right job ... we have a process where if we don't like them then we can get rid of them and turn them over ... so the people is not really an issue because there is a process to control it. [Government agency, Director]

From the above government agency comments, the conclusion drawn is that people are merely regarded as a resource that is used as a means to achieving an outcome, but not seen as a valuable construct that could be developed to further the relationship.

On this basis, the construct on 'Quality, and skills of people' is not promoted as a construct in the Emerged Model for this case.

The other two constructs where the organisation selection did not coincide, were 'Leadership', and 'Incentive alignment'. The government agency did not select 'Leadership' as a construct in the Developed Model but did raise the theme of 'Leadership' within governance in four of its five interviews. Comments made during with interviews included:

... they have worked on very difficult outsourcing projects where there has been a lot of adversarial stuff, and people you know have up and moved on, you know like after a year or two and then move on and a lot of things are unreconciled. You know that there is that idea of failure and all that sort of stuff. Badly done by, you know the sort of implicit contract that an organisation has with any employee. Where they have come from ... you will see that they exhibit those sorts of characteristics in that worst-case scenario. [Government agency, Director]

... governance is the other thing. Structures and leadership, processes ... processes and procedures are quite frankly bloody killing us. I think that what is happening in Commonwealth procurement now is that mainly due to risk aversion, that I find that probably in the last 12 months that risk aversion is becoming almost crippling. [Government agency, Director]

The comments allude to the importance of leadership in driving matters forward, but almost accept poor leadership in the public sector as a fact of life. On the basis the leadership was discussed in four of the five government agency interviews and that the ICT service provider selected the 'Leadership' construct, it was considered that 'Leadership' should be included as a corroborated construct.

The last construct that did not coincide was 'Incentive alignment', which matched the theme from the dialogue analysis of people (motivation). This theme was only raised in two of the five ICT service provider interviews, and it was not selected by them as an important construct. The government agency did select the construct on 'Incentive alignment' and strongly discussed this theme under people (motivation). The comments from the government agency were however in a negative sense as indicated in the following comments:

I think that what I was saying was that it depends on who you are doing to deal with. If you are dealing with say a salesman who may be motivated by short-term goals then he is likely to press very hard for something to happen immediately, so that he gets the commission immediately. And that may not necessarily be the best outcome. [Government agency, Director]

... the bottom fish feeder ... [Government agency, Senior executive]

... bottom up driven, salesman driven who is influenced by his personal motivations to strategic organisational partnerships ... [Government agency, Director]

yes, and there are lots of companies who do that, they had to sell certain types of product and they are trying to move into certain areas of the market, and it doesn't matter what business I am mean, they will try to sell me something. [Government agency, Director]

I don't think so. I think that that sort of personal gain, that individual personal gain, is more likely to be on the vendor side rather than the purchaser's site. Whilst we do the best that we can for the organisation, there is no real incentive for us as public servants, to do anything for ourselves. [Government agency, Director]

On the basis of the above comments it is felt that the citations during the interviews were not directed towards 'Incentive alignment' being a construct that could add value to the relationship, for it to be included as a corroborated construct.

The Emerged Model

The Emerged Model is a consolidation of the Developed Models from each organisation, reviewed against the Initial Framework, and after considering the interview dialogue. The final Emerged Model for the Multi-Sourcing case is provided at Table F.3, and for the sake of brevity, the structure is repeated in Table 7.5, less the outcome characteristics.

Table 7.5 - Emerged Model: Multi-Sourcing case

Construct group	Construct
Interaction process	
Parties	Business focus and objectives. Interpersonal Relationships. Governance. Leadership
Atmosphere	Type of relationship. Integration of cultures and ease of doing business Trust, reliability and integrity.
Environment	

Description of the constructs

'Parties' construct group

'Business focus and objective'. This construct articulated whether the parties could bring value to each other, work together, and interface into each other's businesses. The characteristics ranged from where the organisations are fragmented with no one understanding the goals across the organisations. It will be hard to know who to speak to, who makes decisions, and find a match point between the organisations. At the top end of the outcome continuum, the organisations are fully self-aware in a sense that any person representing the creed, culture, and personality of the organisation, would not differ from anyone else who is in a similar situation. The outcome sought was a 'Medium mutual benefits', where there is some confidence in the other party but still a level of separation particularly on business critical issues, and any developed strategic agreements may be impacted (made less effective) by initiatives or requirements of third parties such as the government or parent companies.

The 'Interpersonal relationships' construct focused on the behaviour of individuals towards individuals in the partnering organisation. At the lowest end of the outcome continuum the characteristics were described as there being a closed mind to anything you, and the organisations devoted to standard processes. Individuals may be difficult to deal with, and perhaps even hostile or adversarial to their opposite number. The characteristics for the outcome of high mutual benefit was described as having mature staff with a wide range of expertise who know what to expect and how to manage the situation so that they get what they want out of it. The outcome sought was at this highest end of the outcome continuum.

The 'Governance' described the internal ability of an organisation to present itself as a homogeneous entity, and the external abilities of the combined organisations to work as a coordinated entity. Noting that in the Multi-Sourcing environment where the government agency is providing the management layer and that inter-working between the service providers would be expected, this construct was expected, and it was considered that a high collaboration outcome would have been sought. The characteristics along the outcome continuum ranged from where both parties are

organisationally immature and neither is able to take a leadership position for the relationship. The result is no decision-making governance, with the associated impact on the efficiency of the interworking of the organisations. At the top end of the outcome continuum, both organisations are sufficiently mature for one or both of them to lead the organisations forward. There are also integrated processes and procedures and complete alignment of process execution and timeliness. The outcome sought was that of 'Medium mutual benefits' where there is still a slight disparity between the organisational maturity which stops the organisations working well together. The processes and procedures are in place with the balance achieved between the stability of the procedures and the need for constant review.

'Leadership' described the clarity and drive on decision making both internally for the organisation and externally between the organisations. It was not the quality of the decision but the declaration and drive on the decision. The construct also encompassed the decision makers having the vision and the people skills to drive the decisions through implementation. The characteristics ranged from leaders being 'dumped into the job' and having no interest or ability, to at the top end of the continuum where the leaders (the executives) would be mutually reinforcing, consistent, and show clarity, drive, and decisiveness. The outcome sought was that of 'Medium mutual benefits' where the leaders have enthusiasm and drive, but are just 'young', junior in the overall executive scale and lack the 'political' connections.

'Atmosphere' construct group

The 'Type of relationship' construct describes the atmosphere within which the relationship takes place. At the bottom end of the continuum the outcome is characterised as a new relationship that is forming and perhaps even adversarial. In this environment the organisations do not want to give too much proprietary data because they are not sure what is going to happen with the information. At the top end the relationship is established and trusted where information and respect flow both ways. Both organisations are able to talk frankly, understanding that information flow is reciprocal and that advice will not be taken personally. The outcome sought was that of 'Medium mutual benefits' where the relationship is still developing but

there was openness and candour, but still lacking the trust of the mature relationship at the top level of outcome.

‘Integration of cultures and ease of doing business’ is a construct about how effectively and efficiently the organisations can work together. The characteristics along the outcome continuum range from the people having a closed attitude, all the organisation being bureaucratic, which then dictates a poor or predetermined outcome. At the top end of the outcome continuum the organisations are characterised as being highly agile, with an open mind, and flexible processes. The outcome sought is that of a ‘Medium mutual benefits’ where there are the beginnings of real business value and positive outcomes from the organisations working together, however there is still a slight imbalance between the teams where either one is not as strong, or as open-minded or flexible as the other.

The last construct that the organisations in the Multi-Sourcing case believed was a defining construct in a public-private relationship, was ‘Trust, reliability and integrity’. There was an interesting twist in the fundamental understanding of the allocation and management of risk between the organisations. The ICT service provider philosophically saw that risk should be allocated to and managed by the party best able to influence the risk, whereas the government agency saw that the risk should be placed with the ICT supplier in all cases and the costs of managing those risks would be negotiated between them. Whilst this difference of view did not alter the establishment of the outcome continuum for this construct, it is a notable example of how the difference of fundamental opinions may lead to wide commercial differences of opinion. The characteristics described by the organisations in the outcome continuum ranged from there being no trust and hence no enduring relationship, with little attempt at identifying or qualifying risk, to add the top end there being complete trust and rapport between the organisations with a clear appreciation by both organisations on risk and how it is to be accounted for. The outcome sought was that of a high mutual benefit where trust is understood and they have agreed how to account for it. The level of trust is established to the extent that it is unchallengeable and not affected by incoming individuals who bring with them bad experiences from other organisations.

Summary – Emerged Model and outcome sought

The preceding text on the description of constructs in the Emerged Model and the outcome being sought from the relationship is summarised and illustrated in Table 7.6.

Table 7.6 – Outcomes sought: Multi-Sourcing case

Construct group	Constructs	Relationship outcome sought			
		Dissociated benefits	Low mutual benefit	Medium mutual benefit	High mutual benefit
Interaction process					
Parties	Business focus and objectives			✓	
	Interpersonal relationships				✓
	Governance			✓	
	Leadership			✓	
Atmosphere	Type of relationship			✓	
	Integration of cultures and ease of doing business			✓	
	Trust, reliability and integrity				✓
Environment					

*In the table, a '✓' represents the outcome sought from a construct of the relationship model.

Current performance compared with the outcome sought

To confirm that the 'outcomes sought' were correctly positioned within the model, participants were asked as the last task of the group interview, to consider the outcome that was currently being achieved, and locate this on the model. Where the current outcome was lower than the outcome sought, the participants were asked to discuss strategies that would raise the current outcome. The intent of this task was to have the participants further consider and justify their selection of the outcome being sought.

Current performance against the outcomes sought from the relationship is marked with a \diamond symbol in Table 7.7. Both symbols (\diamond ✓) in the same cell of the table indicate that the outcome sought is currently being met.

Table 7.7 – Performance against outcomes sought: Multi-Sourcing case

Construct group	Constructs	Relationship outcome sought			
		Dissociated benefits	Low mutual benefit	Medium mutual benefit	High mutual benefit
Interaction process					
Parties	Business focus and objectives			◇✓	
	Interpersonal relationships			◇	✓
	Governance			◇✓	
	Leadership			◇✓	
Atmosphere	Type of relationship			◇✓	
	Integration of cultures and ease of doing business			✓	◇
	Trust, reliability and integrity			◇	✓
Environment					

*In the table, a '✓' represents the outcome sought from a particular construct of the relationship model, and a '◇' represents the outcome currently being achieved.

Constructs where outcome is not currently being achieved

There were only two outcomes sought from the organisational relationship that were judged as not currently being met: 'Interpersonal relationships'; and 'Trust, reliability and integrity'. Interestingly the organisations felt that they were exceeding the outcome sought for the construct of integration of cultures and ease of doing business.

The first outcome sought where the organisations agreed that the outcome was not being met, was interpersonal relationships. The organisations agreed that the outcome being sought was high mutual benefit which they characterised as where there is a well-informed and committed attitude to achieve the business goals of both organisations, and a willingness to engage and go beyond the standard structure. They also agreed that the current performance was not achieving this outcome. The current performance was at the 'Medium mutual benefits' level where people have the base knowledge of the business but may not be proactive or are lacking some key skill to make things happen within the required timeframe.

The outcome sought on the 'Trust, reliability and integrity' construct was also not being met. Both organisations agreed that the outcome being sought was high mutual benefit which they characterised as there being complete personal and organisational trust which is not affected by incoming individuals who may bring poor experiences from other organisations with them. This outcome was also characterised by agreement on the understanding, acceptance and sharing of risk. The major difference between this outcome and the agreed current performance ('Medium mutual benefits') was on risk sharing. The characteristic on risk sharing at the lower level was the difference on how risk was accounted for, at this level one organisation may place risk with the other party and also not agree to have to fund the risk.

Enablers to achieve outcome required

Neither organisation was able to provide suggestions on initiatives that may move the current performance on interpersonal relationships up to the outcome being sought. This result may be instructive in itself, meaning that even though the interviewees recognised the shortfall in the outcome, they were not motivated to try to improve the matter either due to their own lack of skills, or some other barrier that they did not want to progress. Without further detailed research into aspects such as the team structures, personalities and personal capabilities, it is not possible to take this consideration further.

'Trust, reliability and integrity' was the second construct not performing to the outcome sought, and as stated, the shortfall was described as being in the area of risk sharing. The private sector organisation was resigned to the fact that the outcome sought would never be met due to the nature of the organisations. A number of relevant comments were provided at the group interview of the ICT service provider:

... well I always think that between the public and the private sector risk is one of those rock walls that are hard to get over because they have, in my opinion, little idea on how to measure risk and what it is. Because they do not have it in their organisations. [ICT service provider, Senior Manager]

but it is part of everything that we do ... it is part of everything we do, everything we sell, and everything we deliver. They ignore risk and they drive the price down and then when the price is agreed, they introduce risk. They have a total disregard for the value, or the measurement of risk. [ICT service provider, Senior Manager]

I just don't think that we can ever get to a point where we can share risk because of the way that public and private sector works. [ICT service provider, Senior Manager]

At a later stage in the group interview, the researcher was able to establish that the ICT service provider group agreed that change may be possible where there was a senior 'visionary' in the government agency who understood the intricacies of understanding, measuring, agreeing, allocating and sharing risk. The researcher provided an example of a very senior executive in the government agency, and asked whether he had the appropriate skills and background to progress the issue. The response from a senior manager from the ICT service provider was:

'Ummm ... because he doesn't get involved in these negotiations. Most senior executives don't'.

This section on the analysis of factors that may assist in moving the current outcome to the outcome sought by the relationship, could be summarised as being incomplete and unsatisfactory. The organisations recognised that the outcome on interpersonal relationships was not being met but provided no insight how this might be progressed. The ICT service provider was more forthcoming on their views on risk within the 'Trust, reliability and integrity' construct, but was still resigned to the fact that the outcome could not be improved.

Chapter summary

The purpose of this chapter has been to describe the analysis, and the findings of a case study into the Multi-Sourcing strategy, involving a government agency and a large ICT service provider. Two contrasting governance options were discussed for a Multi-Sourcing strategy, but in this situation the government agency was providing a 'management layer' and had a direct relationship with multiple ICT service providers who were providing the ICT services. The performance of ICT service providers was measured against service levels.

The Emerged Model from this Multi-Sourcing case study indicated that the most important aspects of the relationship are:

- Business focus and objectives;
 - Interpersonal relationships;
 - Governance;
-

- Leadership;
- Type of Relationship;
- Integration of cultures and ease of doing business; and
- Trust, reliability and integrity.

Of these seven aspects, there is reasonable representation across both of the 'Parties', and the 'Atmosphere' construct groups. These construct groups encompass matters about the organisations themselves and the episodes between the organisations: such as the people, the business strategies, and the nature of the relationship itself. This finding is consistent with the definition of Multi-Sourcing, as it might be expected that the day-to-day episodes, the daily provision of the services, and perhaps also, the inter-working with other service providers, would be a prime focus of the relationship.

On the basis of the empirical data on the outcomes sought from the constructs of the Emerged Model, the case study concluded that strategic collaboration was being sought. The outcomes were notable in that higher levels of outcome might have been expected for constructs such as 'Governance', and 'Integration of cultures and ease of doing business', to reflect the Multi-Sourcing environment where strong levels of integration between the various service providers would be required. The fact that this was not seen in the empirical data may merely reflect that in 'this' multi-sourcing environment, the integration requirement were not a strong.

Chapter 8 – Cross-case analysis

... people are notoriously poor processors of information. They leap to conclusions based on limited data, they are overly influenced by the vividness or by more elite respondents, or they sometimes inadvertently drop disconfirming evidence.

(Eisenhardt 1989, p.540).

The case studies in the preceding chapters have established public-private relationship models, and determined outcomes sought from the relationships, relevant to the particular sourcing strategy. This chapter compares and finds commonality in the findings of the case studies, to assess collaborative outcomes across the Australian Government ICT outsourcing environment, independent of other variables that may influence the cases. By looking for patterns and themes in the data that are common across the cases, the likelihood of achieving an accurate assessment is increased. The logic is that this approach assists in overcoming the reality that people are notoriously poor processors of information, and are influenced by other people (Eisenhardt 1989, pp.540-1).

The cross-case analysis establishes a final public-private relationship model comprising seven constructs. The constructs reflect the importance of elements that describe the interacting parties, such as governance and leadership, and experiences between the parties, such as trust and integrity. Importantly for this thesis, the model does not include constructs that focus on quality, performance, or cost—which would indicate a focus on tactical outcomes. In regard to the outcomes themselves, the cross-case analysis establishes that all outcomes sought from the relationship were at the ‘strategic end’ of the collaboration continuum, therefore supporting the position that the public sector has recognised the importance of, and is implementing, strategic collaboration with the private sector.

The structure of this chapter is that it firstly compares, and finds commonality between the empirical data of the relationship models from the three case studies, and then repeats this process for the outcomes sought from the relationship.

Public-private relationship model

Compare, contrast, and find commonality

The Final Model for a public-private organisational relationship is a comparison of the Emerged Models from each case study. The constructs of the Emerged Models from each case are shown in Table 8.1, and where the constructs are corroborated across all three case studies, the construct is highlighted.

Table 8.1 – Comparison of Emerged Models

Construct group	Construct	Self-Managed case	Single Sourcing case	Multi-Sourcing case
Interaction process	Quality of product/service. Information sharing. Financial. Communications.		✓	
Parties	Business focus and objectives. Interpersonal Relationships. Governance. Leadership. Incentive Alignment. Quality, and skills of people.	✓ ✓ ✓ ✓ ✓	✓ ✓ ✓ ✓	✓ ✓ ✓ ✓
Atmosphere	Type of relationship. Integration of cultures and ease of doing business. Measurement systems for projects and the relationship. Trust, reliability and integrity. Degree of discussion.	✓ ✓ ✓	✓ ✓	✓ ✓
Environment	Business environment. Status that the relationship brings	✓		

* The shading highlights constructs that are corroborated across all three case studies.

A noteworthy result illustrated in Table 8.1 is the uneven spread of the six corroborated constructs against the Initial Framework. Specifically, the majority of the selected constructs are in the ‘Parties’ construct group, and there is only a single construct selection in both the ‘Interaction process’ and the ‘Environment’ construct groups. The spotlight on the ‘Parties’ construct group (which describes elements of the

interacting parties, such as interpersonal relationships, governance and leadership) indicates the prime importance in the relationship, of the organisations themselves. In other words, the embedded value in the organisations themselves is more important in the relationship, than the embedded value in the interactions (the services, the value for money, or the potential for profit), or how well the parties integrate together.

Of most significance for this thesis, is the low result for the 'Interaction process' construct group. This group contains the constructs that describe the interaction processes, such as the exchange of products and services, the performance of the parties, and financial aspects such as value and potential for profit. The group is analogous to the 'tactical' objectives of government procurement, value for money and performance. The lack of focus on the 'Interaction process' construct group is an initial indication that tactical outcomes are not the principal focus of a public-private relationship in the Australian Government ICT outsourcing environment.

A further check is completed in this cross-case analysis, to ensure rigour in the establishment of the Final Model. Constructs that were selected in one or two of the case studies, but not by all three, were reviewed to see how close they were to being selected. The review may justify the inclusion of a construct that was otherwise set aside.

The construct of 'Integration of cultures and ease of doing business' was selected in two cases, but not in the Self-Managed case. Of the three organisations in the Self-Managed case, only the ICT service provider selected this construct, although the Government agency established a construct titled 'Business fit'. The 'Business fit' construct most closely matched to the 'Business focus and objectives' construct of the Initial Framework and this is reflected in the Emerged Model of the Self-Managed case. However, the 'Business fit' construct also discussed whether that parties could bring value to each other, work together, and interface into each other's business—therefore also matching the 'Integration of cultures and ease of doing business' construct. Considering the coverage of the 'Business fit' construct by the Government agency and the selection of the construct of 'Integration of cultures and ease of doing business' by the other two case studies, it is included in the Final Model.

Three constructs were selected by only one of the three cases: 'Communications', 'Quality and skills of people', and "Business environment".

The 'Communications' construct was only selected by one of the three organisations in the Self-Managed case, and not at all in the Multi-Sourcing case. This construct was about contact between the organisation, where the added value in the relationship comes from information being proactively, openly and truthfully provided. This is different to the 'Information sharing' construct which is about the type of information shared. It is not obvious as to why the communications construct was only selected by the Single Sourcing case since it might be more beneficial in multi-party relationships. Perhaps it merely reflected a view that other constructs were seen as more important, regardless, there is insufficient empirical data for this construct to be promoted to the Final Model.

'Quality, and skills of people' was only selected in the Self-Managed case study. Within the other two cases there was reasonable representation of the construct—it was selected by the government agency in the Single Sourcing case, and by the ICT service provider in the Multi-Sourcing case. In the Multi-Sourcing case the government agency discussed the knowledge and suitability of people for their role, but focussed principally on the people of the ICT service provider and hence did not regard the construct as important because they could easily remove those people if they considered them unsuitable. This result presents a quandary as it was only selected in one of the three cases, but it is strongly discussed and represented in the other two cases. Given that there is reasonable representation, but not compelling representation, it is considered that the construct should not be included in the Final Model. However, 'Quality, and skills of people' is noted as a possible important construct, and that future research in this area should consider the importance of the construct.

The last construct only selected in one of the three cases was the 'Business environment'. This construct was selected in the Self-Managed case, although it was only by two of the three organisations. In the other two cases, the construct was not selected by either organisation in Single Sourcing case, or the Multi-Sourcing case. The 'Business environment' construct is about creating an environment where the two organisations are enthusiastic and work together in mitigating any negative third party

influences. The intuitive observation is that the organisations would regard this as an important construct given the fundamental differences between the sectors, and potential external influences such as the government/politics and external commercial matters. There is no apparent reason why this construct would be more important in the Self-Managed case, however there is insufficient empirical data for this construct to be promoted to the Final Model.

This process has identified seven constructs that denote the most important aspects of a public-private relationship in the Australian Government ICT outsourcing environment. These seven constructs form the Final Model for a public-private relationship:

- Business focus and objectives—understanding the goals and objectives of the other party and commitment to achieving them.
- Interpersonal relationships—attitude of the people, working to achieve good relationships and the objectives of the relationship.
- Governance—maturity of the organisations in terms of their structure, operation, and processes.
- Leadership—obtaining drive, decisiveness, clarity, and consistency within and between the organisations, from the leadership team.
- Type of relationship—the nature of the organisations, and their resulting relationship in terms of maturity, and the purpose of the relationship.
- Integration of cultures and ease of doing business—the ability of the organisations to interact, assisted by open-minded people who use agile and flexible processes to overcome bureaucracy, and adapt to new requirements.
- Trust, reliability and integrity—the rapport and stability of the relationship that at its best is not impacted by incoming individuals.

Although it is not in the Final Model, it is also recognised that the construct of ‘Quality, and skills of people’ deserved consideration as an important factor in public-private organisational relationships.

Description of final constructs

Business focus and objectives

The essence of this construct was whether the parties could bring value to each other, work together, and interface with each other's businesses. The outcome continuum described in all cases was similar, with a focus on the importance of understanding the business objectives and goals of the organisations, and ensuring that these could be articulated to other organisation. At the low end of the continuum, the Self-Managed and Multi-Sourcing cases characterised the outcome as having no common objectives between the organisations and perhaps even fragmented internal business goals. The Single Sourcing case additionally suggested that at this level, the parties might be competitive in their business goals, with each organisation only interested in their own performance. At the top end of the continuum the cases agreed that the outcome was characterised by there being an intimate understanding of the business goals of both organisations and a genuine interest in working together on these. There may even be combined goals, and a symbiotic relationship within the business bounds of the organisations. In stressing the importance of having clear business goals and being able to articulate them, the Multi-Sourcing case highlighted that at this level, any person representing the creed, culture, and personality of the organisation, would not differ from anyone else who was in a similar situation.

Interpersonal relationships

As the name implies, this construct focused on the behaviour of individuals towards individuals in the partnering organisation, and the resulting impact on the relationship. Where the outcome was only benefiting one organisation, the cases' agreed characteristics were described as 'individuals may be difficult to deal with, and perhaps even hostile or adversarial to their opposite number'. The Single Sourcing case saw that at its worst, there could be a contemptuous attitude with the view that the other people were inferior and subservient. At the best end of the continuum, the Self-Managed case saw the need for integrated teams which would lead to cooperation and trust. The Single Sourcing case considered that individual relationships were best impacted though an understanding that the success of one organisation is a success for

both, and that the individuals understand the benefits of combined goals and teaming. The Multi-Sourcing case suggested that at this level staff would have maturity and a wide range of expertise that would allow them to know what to expect, and how to manage a range of situations.

Governance

'Governance' described the internal ability of an organisation to present itself as a homogeneous entity, and the external abilities of the combined organisations to work as a coordinated entity. It also encompassed the impact of organisational complexity, process maturity and decision-making ability. For this construct the Self-Managed and Single Sourcing cases focussed on governance, processes and procedures issues that varied across the outcome continuum. The Multi-Sourcing case described this construct more as an organisational maturity matter, ranging from where both parties are organisationally immature with neither able to take a leadership position for the relationship, up to where both organisations are sufficiently mature for one or both of them to lead the organisations forward. Whilst there was this additional notion of 'organisational leadership' in the 'Governance' construct, the three cases were closely aligned on their description of the steps in governance, processes and procedures along the outcome continuum.

Leadership

The 'Leadership' construct described the clarity and drive on decision-making both internally for the organisation and externally between the organisations. The construct also encompassed the decision-makers having the vision and the people skills to drive the decisions through implementation. At the lowest end of the outcome continuum there were two themes. The Self-Managed and the Multi-Sourcing cases raised the matter of the capability and personal drive of the leaders—the Self-Managed and the Single Sourcing cases raised the matter of the intent of leadership decisions being to negatively impact the other organisation. At the top end of the outcome continuum the cases agreed on the need for leaders to mutually reinforce one another, have shared decision-making on all matters, and try to positively influence outcomes to the benefit of both organisations.

Type of relationship

This construct is about the atmosphere within which the relationship takes place. The Multi-Sourcing case describes the steps in the outcome continuum as: new (perhaps adversarial), developing, developed and mature. This description reflected how the organisations engaged each other, and reacted when there was an issue. The other two cases described the steps in the continuum for this construct in terms of the added value. At the lowest end the outcome is described as transactional and commodity-based, and where the parties would try to take advantage of the other. At the top end the organisations would act as though they are fully integrated and identify opportunities that add business value to both parties. The characteristics of this construct in the Final Model reflect both these notions.

Integration of cultures and ease of doing business

'Integration of cultures and ease of doing business' is about how effectively and efficiently the organisations can work together, and whether the interactions between the organisation are difficult or easy. Factors seen as impacting on the constructs were: an ability to speak frankly with a no-blame or no-fault approach, an open-minded ability to work through bureaucratic processes, and an aligned culture demonstrated in shared visions of the organisations. The characteristics of the highest end of the outcome continuum were described as there being an ego-less atmosphere with a high degree of respect between open mind staff, with highly agile and flexible processes.

Trust, reliability and integrity

The intent of this construct appears clear from its label, however the construct opened extensive discussion in the Multi-Sourcing case on 'risk' which is an underlying tenet of the construct. The ICT service provider believed that risk should be allocated to and managed by the party best able to influence it, whereas the government agency saw that the risk should be placed with the ICT supplier in all cases, and the costs of managing those risks would be negotiated between them. The steps in the outcome continuum were therefore predominantly around risk, however the Multi-Sourcing case also introduced the notion that trust is established to the extent that it is unchallengeable by

incoming individuals who bring with them bad experiences from other organisations. The Self-Managed and Single Sourcing cases regarded the continuum as more conventionally ranging from there being little or no trust, where there was suspicion of the motives of the other organisation, and where all activities were scrutinised, to where there was implicit trust resulting in reduced compliance checking.

Final Model

The Final Model for a public-private ICT outsourcing relationship is a simple two-dimensional table, consisting of:

- constructs representing the most important ‘building-blocks’ or factors that comprise an organisational relationship; and
- for each construct, a description of the construct at each step along the ‘collaboration continuum’.

The constructs of the Final Model and a short description of the outcome characteristics are presented in Table 8.2. The detailed characteristics of the Final Model are provided at Table G.1.

Table 8.2 – Final Model

Construct	Characteristics of the collaborative outcomes			
	Dissociated benefits	Low mutual benefit	Medium mutual benefit	High mutual benefit
Business focus and objectives	Fragmented organisation with no-one understanding the goals across the organisation. May regard all external relationships as commodity or transactional driven.	Minor alignment with other organisations has just ‘happened’ rather than have been actively selected for business benefit.	There is some confidence in the other party and bringing them into that closeness, but still a level of separation particularly on business critical issues.	There is a coordinated, well considered, consistent view of business goals and governance structures in and between the organisations to implement this.
Interpersonal Relationships	Individuals are difficult to deal with, perhaps even adversarial. Closed mind to anything new, devoted/wedded to standard processes.	Ambivalent, ‘nice people’, not destructive, but they are also not supportive or proactive.	The people are informed and accept the business relationship but not proactive. They do not act on it or promote it.	The attitude of the people engenders a good relationship. They are committed to achieving the business goals of both organisations.
Governance	Both parties are organisationally	Wide disparity between the	Disparity between the organisational	One organisations is sufficiently mature to

Characteristics of the collaborative outcomes

Construct	Dissociated benefits	Low mutual benefit	Medium mutual benefit	High mutual benefit
	immature. Neither is able to take a leadership position. There is no decision making governance on how to proceed or who to engage. No framework..	organisational maturity of the organisations. The governance processes are laborious, or inappropriate and time consuming.	maturity is not large but there still remains an amount of uncertainty which stops the organisations working well together.	lead the two organisations forward. Complete alignment of process execution and timeliness, plus ongoing review to ensure processes meet business goals.
Leadership	Leaders are characterised as being 'dumped into the job', with no vision, no incentive, no ability and no knowledge.	The leaders are either only going through the motions to keep the business turning over, or are keen but lack the requisite skills to get buy-in or adherence by lower levels of management.	The leaders display better character traits, but are still junior in the overall executive scale and lack the 'political' connections. They have not been there long enough to get the authority and respect.	Leaders at all levels from both organisations show clarity, drive, decisiveness, and consistency. The organisations are energised by the drive and focus of the executives.
Type of relationship	New relationship. Storming, forming, conforming, almost adversarial.	Developing relationship. Starting to be more open and trusting.	Developed relationship. Trust is still developing but there is openness and candour. There is the occasional mistake where one person will cross over the personal line.	Mature relationship. There is an established and trusted relationship where information and respect flow both ways.
Integration of cultures and ease of doing business	There is a predetermined corporate outcome driven by people with closed attitude. Different cultures with no attempt to bridge the gap.	A limited organisational transformation to integrated processes but no wide support, and hence limited benefit. No commercial drivers.	The beginnings of business value from improved processes but this is limited by an imbalance of the teams. Cultural alignment in the areas that matter.	Balanced teams who are willing to listen and discuss with open-mind. Cultural alignment across the whole organisations and synergy of business objectives.
Trust, reliability and integrity	No trust and hence no enduring relationship. Inefficient relationship that requires lots of checking and oversight.	A developing relationship with the early levels of trust. Outcomes are starting to be delivered and trust is becoming apparent.	Trust has developed to a reasonable level however it is still able to be influenced by incoming individuals who bring with them poor experiences. A clear definition of risk but there is no agreement on which organisation is going to manage the risk and who is going to pay for the management of the risk.	There is rapport and complete trust between the organisations. There are stable teams in both organisations who have developed trust over time. The level of trust is unchallengeable and not affected by incoming individuals who bring with them bad experiences from other organisations.

By aggregating and summarising the characteristics for each outcome, the final public-private relationship model can also be viewed against the ‘collaboration continuum’. This is provided in Table 8.3.

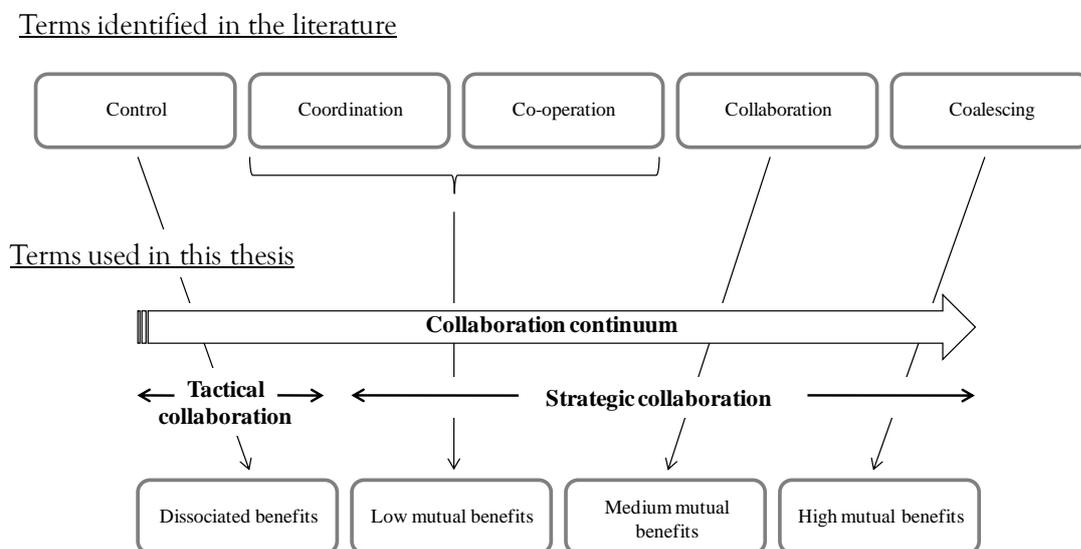
Table 8.3 – Final Model: Collaboration continuum

Outcome Name	Outcome characteristics
Dissociated benefits	An inefficient relationship that is either still forming, or focussed at efficiently transacting commodities with the associated high level of checking and oversight. There is no vision to progress the relationship, either through a lack understanding of potential benefits, or a lack of drive or ability from the leadership teams. People let processes dictate outcomes, or there is a pre-determined outcome which they bureaucratically drive. Some attempt is made at identifying risk, but little effort in implementing mitigating strategies, or correctly allocating or managing risk.
Low mutual benefit	A developing relationship where the organisations are beginning to be more open and confident, with the result that low level outcomes – e.g. information sharing and joint education – are starting to be delivered. There is alignment of low complexity business objectives, but may have just ‘happened’ rather than have been actively selected and managed. There is some attempt to bridge areas of cultural difference, and to create process improvement but this is limited by not having wide organisational support. Trust is at a low level and has a resulting impact on the governance processes, which are laborious, or inappropriate and time consuming.
Medium mutual benefit	A developed relationship where there is trust, openness, candour, and confidence in progressing joint business objectives, with a remaining level of separation on business critical issues. Leadership is junior and not fully effective, and there may be the occasional mistake where one organisation will ‘cross over the line’. There are the beginnings of value coming from integrated processes, and there is cultural alignment in areas that matter. Risk is fully understood and accepted, but there may still be underlying difference on how it can be accounted for.
High mutual benefit	A mature relationship where the trust and respect between the organisation is unchallengeable and not affected by incoming individuals who bring bad experiences with them. There is a coordinated and consistent view of the business goals of both organisations, and the organisational structures, leadership, and individuals are committed to achieving these, since they see that a ‘win’ for one organisation, is a win for both. The interface between the organisations is transparent, and processes synchronised. There is a clear understanding on risk, how it can be managed, and shared.

A list of commonly used terms, such as cooperation, coordination, and collaboration, to describe the ‘collaboration continuum’ was identified in the literature and summarised at Table 4.3. For the reasons of simplicity for interviewees, normative understanding of the terms, and relevance of the descriptions against the relationship constructs, the commonly used terms were not used within the case studies. It is instructive however at this stage, to compare the outcome continuum at Table 8.3 against the literature (Table 4.3), to assess the contribution of this thesis.

The comparison is not a simple one-to-one match of the descriptions of the outcomes, as there are themes identified in the literature—such as resource commitment, and length of the relationship—that are not present in the model developed through this thesis. However, the outcome typologies at either extremity of the continuums are similar, and ‘Coordination’ and ‘Co-operation’ as a combined description, approximate the characteristics of ‘Low mutual benefit’. ‘Collaboration’ has a similar description to ‘Medium mutual benefit’. The result of the comparison is illustrated in Figure 8.1.

Figure 8.1 – Comparison of terms in the ‘Collaboration continuum’



There is no intention to substitute the outcome typologies identified in the literature for those used in this thesis, as it is contended that outcome typologies used in this thesis are more appropriate since they better describe the notion behind the collaboration continuum—that it represents the increasing level of interdependence, and increasing complexity of purpose, of the organisational relationship. However, the comparison of the typologies, although crude, provides a further method of

confirming that the finding of the thesis are at least 'in line' with prior research identified in the literature.

Outcomes sought from the relationship

Compare, contrast, and find commonality

The outcomes sought from the relationship, against each of the seven constructs of the Final Model, are determined by simply summing the outcomes sought from each case study, and choosing the outcome with the greatest score. This is illustrated in Table 8.4, and as an example, for the construct of 'Leadership', two case studies were seeking an outcome of 'Medium mutual benefit', and one case study of 'High mutual benefit'. On the basis of the greater score, 'Medium mutual benefit' was chosen as the outcome sought, and that cell is highlighted in Table 8.4.

Table 8.4 - Final Model: Outcomes sought

Construct	Outcome sought			
	Dissociated benefits	Low mutual benefit	Medium mutual benefit	High mutual benefit
Business focus and objectives			✓✓✓	
Interpersonal Relationships			✓✓	✓
Governance			✓✓✓	
Leadership			✓✓	✓
Type of relationship			✓✓	✓
Integration of cultures and ease of doing business			✓✓✓	
Trust, reliability and integrity			✓	✓✓

* A '✓' in the table represents the outcome sought for that construct from a case study.

* A shaded cell in the table is the outcome with the greatest number of ticks for that construct.

The finding on the type of collaboration being sought is clearly illustrated in Table 8.4, in that strategic outcomes are being sought for all constructs, and therefore the thesis concludes that strategic collaboration is being sought in the public-private relationships in the Australian Government ICT outsourcing programme. The other observation is the low 'scatter' of the results, indicating a consistent view across the case studies.

Description of the outcomes sought

Business focus and objectives

The characteristics of the outcome sought from this construct are that:

- there was alignment of a number of business goals of both organisations, and that at least the key people of both organisations understood the business goals of both organisations; and
- the organisations would recognise that there will always be differences of view on business objectives, but they would deal with the differences with the objective of coming to an agreement that both parties could live with and thrive on.

Interpersonal relationships

The outcome sought for this construct recognised that individuals would be expected to act mainly in interest of their own organisation (and themselves), but that they could also act in an honest and collaborative fashion in the interest of both parties. Individuals would have an attitude which sustains the relationship, and they would understand the multiple and separate goals of both organisations and seek to accommodate them. Lastly, individuals would understand why they are there, and on their roles in working with individuals in the other organisation.

Governance

There were two elements of the 'Governance' construct that were characterised to meet the outcome being sought. The first element was the need for a mature—meaning well established and functional—organisational structure, both internally and externally between the organisations. The literature refers to the organisational structure between the organisations as a 'virtual organisation', with its own governance. The second element was the 'processes and procedures'. The processes and procedures—both within and between the organisations—needed to be in place and implemented, with an understanding that none of them would be perfect at all times and ongoing attention will be necessary. There would be a balance achieved between the stability of the processes and procedures, and the need for constant review.

Leadership

The characteristic of the outcome sought for the 'Leadership' construct, was a senior person accountable for driving consistency at the interface, i.e. the other organisation was not given conflicting directions or advice. Between the organisations, the leadership team would be united, with a shared understanding of, and willingness to implement, the visions of both organisations. There would also be shared decision-making on matters that impacted the other organisation(s). Leaders would have enthusiasm and drive, but at this level—the outcome sought is not at the top of the continuum—the leaders are junior in the overall executive scale and lack the 'political' connections they would need to act effectively at the higher outcome.

Type of relationship

The outcome sought from this construct was characterised as a relationship still developing, having openness and candour, but lacking the trust of the mature relationship at the top level of outcome continuum. The two organisations would work in a trustworthy and reliable fashion, and provide added value through the integration and customisation of requirements, products and services. This would be aided by their understanding of each other's business goals and strategies, with both organisations working to achieve these. There may also be some engagement on exposed business requirements. This means that the ICT supplier for example, may be asked to propose solutions for a business outcome of the government agency, rather than being asked to provide a predetermined range of services that supports the business outcome.

Integration of cultures and ease of doing business

This construct is about the how much effort is required in the day-to-day exchanges between the organisations, and encompasses the traditions and habits of the organisations, as well the processes and procedures within and between the organisations. There was realistic recognition in the outcome sought, that there would only be the beginning of real business value and positive outcomes from the organisations working together, caused perhaps by a slight imbalance between the teams

where either one is not as strong, or as open-minded or flexible as the other. However, the culture is aligned due to the shared visions of the organisations, things are in control and the organisations believe that they are able to keep it that way, because things are predictable due to the relatively open, transparent and communicative environment.

Trust, reliability and integrity

Characteristics for this outcome were that it would be an open and honest relationship with increased risk sharing, perhaps with occasional compliance checks to ensure that trust was still warranted, and to meet any business and regulatory requirements of the organisations. This characteristic is notable since it recognises that in the public-private sector relationship—due to public sector regulatory and legislative requirements—the level of trust would never reach a stage of no compliance checking, as it might do in a private-private relationship. Many private citizens would for example have a complete level of trust and would not undertake any compliance checks on advice provided to them by their tax agent, even though there significant financial implications at stake. The case studies described that the outcome sought was a level of trust, established to the extent that it is unchallengeable, and not affected by incoming individuals who might bring previous, poor public-private relationship experiences with them.

Current performance

Establishing a view on current performance is not an objective of this thesis, however it serves as check in having the participants further consider and justify their selection of the outcome being sought. The discussion at the group interviews centred on the participants identifying the level of outcome that they were currently achieving and describing what might to done to move performance to the level of the outcome sought. Current performance against the outcomes sought is shown in Table 8.5. The highlighted cells in the table indicate the outcome sought for each construct (copied from Table 8.4), thus allowing a comparison between what was being sought, and what current achieved was thought to be.

Table 8.5 indicates that current performance against the constructs of ‘Governance’, ‘Leadership’, and ‘Trust, reliability and integrity’, are lower than the outcomes sought

by the organisations. This does not imply that performance against these constructs is poor, it merely indicates that the organisations judged that they thought that performance against these constructs was lower than they were seeking. The finding on leadership does however link to the literature where it is recognised that IT professionals progress to a ‘management level’ where they require more than technical skills. Organisations need to educate and train their IT professionals to be more business oriented, so that they can be effective in their management role of developing partnerships with their business clients (Bassellier and Benbasat 2004, pp.689-91).

Table 8.5 – Final Model: Performance against outcomes

Construct	Outcome sought			
	Dissociated benefits	Low mutual benefit	Medium mutual benefit	High mutual benefit
Business focus and objectives		◇	◇◇	
Interpersonal Relationships			◇◇◇	
Governance		◇◇	◇	
Leadership		◇◇	◇	
Type of relationship		◇	◇◇	
Integration of cultures and ease of doing business			◇◇◇	
Trust, reliability and integrity		◇	◇◇	

* A ‘◇’ in the table represents the outcome currently being achieved for that construct from a case study.

* A shaded cell in the table represents the outcome that is being sought, copied from Table 8.4.

The literature noted that a concern with group interviews is the influence of ‘the executives’ on what was said by the respondents, since people are influenced by more elite respondents (Eisenhardt 1989, p.540). The result that ‘Governance’ and ‘Leadership’ were recognised as ‘under-performing’ provides some comfort in the rigour of the research approach, since if any of the constructs were to be impacted by ‘executive pressure’, these two are the most likely, given their link to executive roles and performance.

Chapter summary

This chapter has established a two-dimensional model for a public-private relationship in the Australian Government ICT outsourcing programme comprising seven constructs. As determined by the cross-case analysis, the seven constructs represent the most important aspects of a public-private relationship in the Australian Government

ICT outsourcing programme. The constructs reflect the importance of elements that describe the interacting parties, such as governance and leadership, and experiences between the parties, such as trust and integrity.

In addition to the constructs themselves, the model provides a description for each construct at four steps along the collaboration continuum, according to a level of mutual benefit. Importantly for this thesis, the model does not include constructs that focus on quality, performance, or cost—which would indicate a focus on tactical outcomes. The cross-case analysis establishes that all outcomes sought from the relationship were at the ‘strategic end’ of the collaboration continuum, therefore supporting the position that the public sector has recognised the importance of, and is implementing, strategic collaboration with the private sector, at least as demonstrated in the Australian Government ICT outsourcing programme.

Chapter 9 – Summary and conclusions

The average Ph.D. thesis is nothing but the transference of bones from one graveyard to another.

J. Frank Dobie, 'A Texan in England', 1945
US folklorist (1888 – 1964)

This thesis assesses 'strategic' collaboration in the Australian Government's ICT outsourcing programme to explore the wider research topic on whether the public sector is seeking beneficial outcomes in its relationship with the private sector, above the benefits obtained through traditional government procurement practices. The research reflects recent academic and practitioner assertions that the public sector should be trying to add value through collaborative relationships with the private sector, to improve the provision of public services. This is an important topic given the central role of government procurement in helping to optimise government expenditure, for tax-payer advantage.

In addressing the research topic, this thesis posed the research question on why the public sector is not establishing relationships with the private sector in the Australian Government's ICT outsourcing programme that would achieve strategic collaboration. The ICT outsourcing programme was chosen as the 'lens' for this research due to the global significance of the ICT industry, the growth of ICT expenditure in the public sector, and the potential for any benefits to flow through to the provision of public services, i.e. the creation of a public good.

The research question is centred on strategic collaboration, with the notion that benefits above those possible from traditional government procurement practices, could be achieved through diverse practices such as: integrated business processes, employing techniques such as the open exchange of information, and the exploitation of the competencies of each of the organisations. The research approach was to establish a relationship framework from the literature, and then test and further develop the framework through three case studies that represented the sourcing strategies of the Australian Government's ICT outsourcing programme. The presence, or otherwise, of

strategic collaboration, was then assessed through a model of a public-private organisational relationship developed from the framework.

At the conclusion of the cross-case analysis (Chapter 8), a model (the Final Model) for a public-private relationship in the Australian Government ICT outsourcing programme was established. On the basis of this model and the empirical data on outcomes sought from the relationships, it was concluded that strategic collaboration is being sought in public-private relationships in the Australian Government ICT outsourcing programme. The conclusion supports the position of the original research topic, that is, that the public sector is seeking benefits from its relationship with the private sector, over and above those benefits achieved through traditional government procurement practices—at least as portrayed by the Australian Government ICT outsourcing programme.

Contribution of the thesis

In assessing the research question, the major contribution of this thesis has been the establishment of a public-private relationship model that identifies seven key areas of management focus for public-private relationships in the Australian Government ICT outsourcing programme. The key areas of focus are:

- Business focus and objectives—understanding the goals and objectives of the other party and commitment to achieving them.
 - Interpersonal relationships—attitude of the people, working to achieve good relationships and the objectives of the relationship.
 - Governance—maturity of the organisations in terms of their structure, operation, and processes.
 - Leadership—obtaining drive, decisiveness, clarity, and consistency within and between the organisations, from the leadership team.
 - Type of relationship—the nature of the organisations, and their resulting relationship in terms of maturity, and the purpose of the relationship.
 - Integration of cultures and ease of doing business—the ability of the organisations to interact, assisted by open-minded people who use agile and flexible processes to overcome bureaucracy, and adapt to new requirements.
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- Trust, reliability and integrity—the rapport and stability of the relationship that at its best is not impacted by incoming individuals.

There are other contributions of the thesis, specifically findings that have implications for research on collaboration, and for the public and private sector practitioners who manage these relationships on a daily basis. Of most significance to both groups are the contributions of:

- a differentiation between an ‘organisational relationship’ and the underlying ‘structural arrangement’;
- a description of the collaborative outcomes of organisational relationships, ranging from tactical to strategic;
- an empirically developed public-private relationship model (the Final Model); and
- a generic relationship framework (the Initial Framework).

The contributions discussed above flow specifically from the research methodology and are targeted at the public-private relationships in the Australian Government ICT outsourcing programme. However, by observing where the ‘Key areas of management focus’ are located within the generic relationship framework, it is possible to make an important broad observation.

The observation is that the key areas of focus are located only in the ‘Parties’ and the ‘Atmosphere’ construct groups. The ‘Parties’ construct group encompasses elements of the interacting parties such as interpersonal relationships, governance and leadership. The ‘Atmosphere’ construct group encompasses the episodes between the parties, and the nature of the relationship itself. In other words and for a public-private relationship at least, it appears that the embedded value of the organisations themselves and the way that the parties interact, is more important than the value in the interactions (the services, the value for money, or the potential for profit), or the wider environment (i.e. the government procurement environment).

The veracity of this observation is demonstrated as it is at least synonymous with the assertion by Entwistle and Martin (2005, p.233) that the public sector has shifted from seeking discipline and economy from market competition to using the market as a

source of innovation and improvement. The importance of this observation is its link to government procurement policy. Whilst not diminishing the importance of the interactions, the observation is suggesting that government procurement policy should be focussed on objectives such as innovation, improvement, and transformational capability, rather than the current policy which focuses on themes such as service performance and value for money.

Implications for research on collaboration

Researchers on collaboration may find that a useful tool to assist their research, is the generic relationship framework (the Initial Framework) developed in this Thesis. This framework could provide a robust foundation from which to base research on collaboration in other specific sectors, as this thesis did on collaboration in public-private ICT outsourcing. Sectors would not be limited to public and private, and the framework might for example be used to consider collaboration in industry sectors, such as finance, media, or tourism. The framework is well founded on previous research, and draws heavily on the seminal work by the IMP group, and also collates prior research from areas such as SCM and KAM. Importantly for researchers, the framework departs from the traditional view of describing a relationship only at a high level, and instead, explores the detail of the ‘constructs of the relationship’. This is a more robust approach since the impact of individual elements of the relationship can be investigated, which leads to a more thorough understanding of the interaction between the organisations. Lastly, the framework establishes the notion of a two-dimensional model encompassing the relationship constructs, but also the relationship outcomes—recognising that collaboration is not a single outcome.

For researchers who are specifically focussing on collaboration between the public and the private sectors, the Final Model is of more significance. Although the empirical data and the model itself are based on the Australian Government ICT outsourcing programme, there are important implications that might be considered in wider research. The seven constructs might be employed in wider public-private research, initially as the base model, and then tested and further developed. The uneven spread of the constructs as compared against the Initial Framework, is also worth highlighting for its impact on wider research. Of most significance was the low result in the

'Interaction process' construct group—which described the interaction processes, such as the exchange of products and services, the performance of the parties, and financial aspects such as value and potential for profit. These constructs are analogous to the government procurement objectives such as value for money and performance, and it is surprising that objectives such as these were not regarded as important. Likewise, it was expected that the 'Public sector environment' (legislation, probity, ethos, political focus), which the academic literature had identified as being a major factor in dealing with the public sector, would also have been an important construct in the Final Model. Regardless, the Final Model provides researchers in collaboration between the public and the private sectors with a rich platform from which to base further research.

Implications for practitioners

For the public and private sector practitioners who manage the day-to-day relationships in the Australian Government ICT outsourcing environment, this thesis provides practical guidance on an approach to progressing and managing the relationships. It achieves this through the establishment of a model for public-private relationships and in doing so, informs the practitioners on seven specific areas of a relationship where focus is best directed. Furthermore, it describes what the performance characteristics of the participating organisations would need to be, to meet particular levels of collaborative outcome. In other words, practitioners can explore the types of outcomes that they are seeking from their relationship, and on the basis of the characteristics, understand factors (constructs) of relationship that they may need to address.

Prior to this research, practitioners interested in progressing collaborative outcomes of organisational relationships would have struggled with the volume, breadth, and conflicting data of prior research in this area, and would have confronted the difficulty of determining 'what the other side thinks'. It is unlikely that the public sector or the private sector, or a consultant working on behalf of either sector, could have gained access and obtained the same level of 'openness' and 'frankness' in interviews from both sectors, that was possible through this academic research. The dyadic conclusions therefore provide comfort to practitioners in both sectors, that the findings are of sufficient validity to allow discussions to occur with partnering organisations on

establishing collaboration, without concern that the findings are inappropriate, and not based on 'reality'.

In addition to the benefits of the Final Model, this thesis also provides the practitioner with:

- an in-depth review on the background of organisational relationships in a manner that particular topic areas—such as SCM, or KAM—could be further researched;
- the notion that structural (contractual) arrangements can be separated from the organisational relationship, suggesting a disentanglement of 'managing the contract' versus 'managing the relationship'; and
- comfort that the views of both the public and private sector, have been equally considered in the research.

Whilst the Final Model provides a focus on the most important aspects of a public-private relationship, the Initial Framework identified a wider range of constructs from the literature, and provides the practitioner with a valuable broader view of the factors impacting on a generic relationship. These wider constructs are not empirically based, however, the practitioner can commence with a focus on the seven constructs from the Final Model, and supplement them with a secondary set of constructs where they consider that the relationship warrants it.

Practitioners may consider that the research does not cover all their requirements. The Final Model does not for example, provide the trigger for change. In other words, the model does not provide a 'quantified motivator' for change, i.e. state that achievement of a certain outcome along the collaboration continuum, would equate to a certain percentage saving on overall costs. Whilst this potential practitioner requirement is recognised, this matter was not within the scope of the thesis. Furthermore, the literature recognises that economic comparisons such as these are notoriously difficult in the public sector.

Suggestions for future research

Two possible areas for further research were identified in the literature review. The first related to the potential benefits of grouping and co-locating staff in public and private organisations—Axelrod’s landscape theory. The second research suggestion was on the potential for a simple model to gauge the level of collaboration in organisational relationships. Simatupang and Sridharan developed a collaboration index comprising only three constructs (2005, pp.46-7), as compared to the seven constructs established in this thesis. These are both noteworthy projects, which could use the findings from this thesis as a basis for future research.

The research objective was to consider the collaboration phenomenon broadly across the Australian Government using multiple case studies to explore collaboration at the agency level, and then draw conclusions that were independent of agency specific factors. The government agency for each of the case studies was selected on the basis that it represented one of the government’s three ICT outsourcing sourcing types. As identified in the thesis however, there are a number of agencies that use a particular sourcing strategy, and any of these agencies could have been chosen. In addition to this discussion on ‘which’ agency represents a particular ICT sourcing strategy, there is an associated discussion on the ‘type’ of agency used. The thesis classified agencies into those that ‘delivered programmes’, and those that ‘delivered production’, effectively, policy agencies versus service delivery agencies, and limited the research to agencies in the later group. Future research might repeat this research using agencies that span the ‘which’ and ‘type’ considerations, to test whether similar findings are produced.

The private sector ICT service providers were engaged in the research on the basis of being nominated by the government agency, and the researcher had no ability to choose service providers that were similar. In other words, considering whether the ICT Service Providers are large or small, multi-national or national; or providing telecommunications services, computer services, or office automation services (i.e. leasing printers, desktop computers, photocopiers, and scanners). The second consideration with the private sector is that the focus of this thesis was on the ‘for-profit’ element. This decision was made on the basis that the effect of profit on the findings was unknown, at the time of the decision. A finding of the thesis was that the

construct of 'Financial' was not selected in the Final Model, which indicates that profit was not one of the most significant factors of a public-private relationship. However, this is insufficient substantiation to conclude that public-private relationships with the 'not-for-profit' or the 'for-profit' elements of the private sector, would be the same. The considerations on the 'similarity' of ICT service providers and the profit variable, might also be topics for further research.

A number of suggestions for future research have been proposed in this section, and the most important of these relate to the validation of the findings of the thesis. Validation of findings would be achieved by repeating the case studies using the same methods, but involving different organisations as discussed above. This further research may also assist in determining whether the construct of 'Quality, and skills of people' should be included in the Final Model.

Conclusion

This thesis posed the research question on why isn't the public sector seeking strategic collaboration, to assess the wider research topic on whether the public sector is seeking benefits above those obtained through traditional government procurement practices. The thesis concluded that strategic collaboration was being sought from public-private relationships in the case studies examined in the Australian Government ICT outsourcing programme, and on this basis, the thesis findings support the position of the original research topic, that the public sector is seeking benefits above those achieved through traditional government procurement practices.

In assessing the research question, the thesis has established a public-private relationship model that identifies seven key areas of management focus for public-private relationships in the Australian Government ICT outsourcing programme. There are also other findings of the thesis that will be of interest for further research. It is hoped that other researchers might build on the findings of this thesis, to eventually fully cover the broad topic of collaboration in public-private relationships, and that practitioners will find practical guidance in the thesis to assist them with the day-to-day management of public-private relationships.

Appendix A – Glossary

Competitive sourcing

Competitive sourcing occurs when government and private sector providers compete to carry out commercial government activities. The US Office of Management and Budget (OMB) Circular A-76 defines a commercial activity as a product or service provided by the federal government that could be provided by a private sector source (Office of Management and Budget 2003). Gansler and Lucyshyn suggest that competitive sourcing assumes that competition between the two providers (government or private) leads to improved quality at lower cost, regardless of which sector was the winner. They also state that outsourcing, contracting-out, and privatisation commence on the assumption that the private sector can provide less costly, higher quality services than the public sector (Gansler and Lucyshyn 2004, p.8).

Although it describes it under the guise of subcontracting, the OECD report (2005, p.205) makes a useful distinction between two different categories of outsourcing. The first one is commonplace low-tech subcontracting in areas such as catering, cleaning, transportation. The second category concerns areas and items with far higher technological content or business dependency, such as research and development projects, advertising, customer relations, or IT services. In the second category the supplying firm will not be delivering a standard good, but rather it must adhere rigorously to the business requirements of the principle, likewise, the supplier is far more engaged in the core business of the principle and could be regarded more as a partner.

Contracting-out

The literature uses *contracting-out* and *outsourcing* synonymously. This approach is continued within this thesis.

Outsourcing

Definitions of outsourcing differ in the literature, but there is a consistent view that it:

- is the carrying out of certain functions by third parties,
- has the aim of achieving some type of benefit (perhaps competitive advantage for the buyer), and
- it is for an agreed fee over an agreed time period.

ICT outsourcing is defined as where an organisation decides to outsource the business organisation's ICT assets, people and/or activities to a third party supplier, who in exchange provides and manages these assets and services for an agreed fee over an agreed time period (Kern and Willcocks 2002, p.3; Lee et al. 2004, p.111; Lee and Kim 1999, p.31; Kishore et al. 2003, p.87; Aulich and Hein 2005, p.36; Levina and Ross 2003, p.332; Yao and Murphy 2005, p.10).

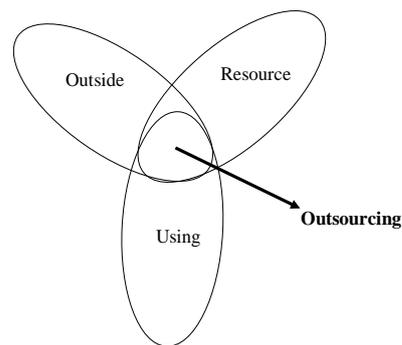
The Industry Commission's report titled *Competitive Tendering and Contracting by Public Sector Agencies* provides a more public sector focussed definition of outsourcing (and contracting-out) as:

An arrangement whereby a contracting agency enters into a contract with a supplier from outside that agency for the provision of goods and/or services which typically have previously been provided internally – not necessarily involving competitive bids. Also called 'outsourcing' (Industry Commission 1996, p.xix).

The above definition notably omits the aim of achieving competitive advantage, however later in the report the Commission states that the emphasis of the tendering process to select the winning tenderer is on the basis of criteria such as cost, service quality and value for money (Industry Commission 1996, p.51). These criteria could be regarded as providing competitive advantage to the public sector, although this issue was further considered in a later section on the value proposition.

An noteworthy view on the origin of the term outsourcing is shown at . The claim was that outsourcing was a hybrid term derived from the words *outside*, *resource* and *using* (Allweyer et al. 2004, p.3).

Figure A.1 - Suggested origin of the term outsourcing



Source: Allweyer et al. (2004, p.3)

Whilst the concept at is noteworthy, it again omits what appears to be central to outsourcing, which is a compelling reason for the buying organisation to consider it. This would necessarily be some type of benefit or advantage.

Outcome sought

The term 'outcome sought' is used in this Thesis in the sense that it is the type of outcome being sought from a planning perspective, an 'expected outcome'. It is not the 'actual outcome' or the 'perceived outcome'. 'Outcome sought' is not used in a performance sense; in other words, seeking an effective or efficient outcome.

Privatisation

It is noteworthy to note the range in definition from the literature. At one end commentators such as Jensen and Stonecash (2004, p.5) describe privatisation as a once-and-for-all sale of a public sector asset. They suggest that the public sector retains no governance control and has no operating risk, although it may obtain a means of control through regulatory measures. Other commentators have a less rigid view, suggesting that privatisation involves moving from high government involvement to an arrangement with less (Van Slyke 2007, p.158).

Aulich and Hein describe outsourcing in the Public Sector as one of the five types of privatisation and is the private provision of public services previously delivered by government agencies. They suggest that in outsourcing, public sector control is maintained as governments retain decision-making power over what is to be produced and provide the

necessary resources for producing it. In addition the public agencies have continuing involvement in the delivery of public services (Aulich and Hein 2005, p.2).

Jensen and Stonecash suggest that confusion over the distinction between the terms privatisation and outsourcing may well stem from the fact that in the US there were few government agencies supplying purely private goods, unlike the UK, Australia, New Zealand and the ex-communist states. Consequently, there have been few examples in the US of what is described in this paper as privatisation and as a consequence the term privatisation is often used in the US to refer to outsourcing (2004, pp.5-6).

Value

The term 'value' is used throughout this thesis. The business objectives of a for-profit firm can be categorised into the perspectives of 'financial', 'customer', 'operational', and 'learning and growth' - the 'Balanced Scorecard' approach (Moore 2003, p.6). It could be argued then that for-profit firms would regard 'value' as improvements in any of these perspectives, and this notion of 'value' for the private sector is adopted by this thesis. Bititci et al. (2004, p.252) suggest that value in the context of collaboration has only two elements: the internal value of wealth (accrued through profit) from a shareholder perspective, and the external value of satisfaction from a customer perspective. However, Handy (2002) suggests that wealth is not the final goal. He suggests that the purpose of a business is to make a profit so that it can do something more or better, and this view is consistent with the 'growth perspective' of the Balanced Scorecard approach (Handy 2002, p.51).

There is difficulty in applying the Balanced Scorecard or the context of Bititci et al. to the public sector as according to Moore (2003, p.8), public value is not measured in financial terms—financial performance is the means to an end, not the end itself—and it is also not clear who the customers of the public sector are. Bozeman (2002, p.146) suggests that public-value operates as a philosophical treatise about the public interest, or as an operational focus on a desired programme outcome. What is valuable for the public tends to be in response to material and social problems at the time (Alford 2008, p.361). At a practical level, Moore (2003, p.11-3) establishes an alternate 'Public Value Scorecard' comprising:

-
- legitimacy and support – obtaining recognition and acknowledgement from the various benefactors on the effective delivery of products and services;
 - social mission – recognising the diverse range of social objectives that may be required to the varied public, and in various situations; and
 - organisational capabilities – achieving the productive capabilities by mobilising the contributions of a number of organisations.

The notion of ‘value’ for the public sector adopted by this thesis is where improvements are achieved in any of the perspectives of Moore’s ‘Public Value Scorecard’ as described above.

Qualitative research paradigms

To understand the theory of qualitative research it is also useful to understand the manner in which researchers consider the world that they are studying. They use a number of terms (called ‘paradigms’) to describe their approach, particularly in the data collection and analysis phases.

Constructionism view prioritises interaction over meaning and therefore prefers to look at what people do without any reference to what they are thinking or feeling (Silverman 2005, p.10). The focus is on understanding rather than explanation of the positivist approach.

Emotionalism is interested to study the perceptions, meanings and emotions of their subjects. (Silverman 2005, p.10). The primary focus is an authentic insight into people’s experiences, achieved through unstructured, open ended interviews based on prior participant observation (Silverman 2001, p.87).

Feminism paradigm is originally based on a challenge to the male-centred nature of research in general. Feminists do not believe in objective research and a view was that researchers needed to mobilise her past experiences in order to research others. They can also use a post-modern approach (Grix 2004, p.88).

Interpretivism views the world as being socially constructed through the interaction of individuals with an emphasis on understanding rather than explanation as per a

positivist view. Objective analysis is impossible since knowledge is the sum total of the researcher's personal and subjective opinions, attitudes and values (Grix 2004, p.84).

Paradigm. A set of assumptions about the social world, and about what constitute proper techniques and topics for inquiry (Punch 2005, p.27).

Positivism is a philosophy that stated that the only authentic knowledge is scientific knowledge, and that such knowledge can only come from positive affirmation of theories through strict scientific method. Positivism has a quantitative mindset, seeking certainty. The world exists independently of our knowledge of it (Grix 2004, pp.78-81).

Post-modernism appears, as it is difficult to find a definitive explanation, to be a paradigm that has arisen in opposition to the other paradigms, and favours not particular method. Punch describes it has having arisen from the background of a loss of faith in the power of reason and for shattering traditional religious orthodoxies (Punch 2005, pp.138-9).

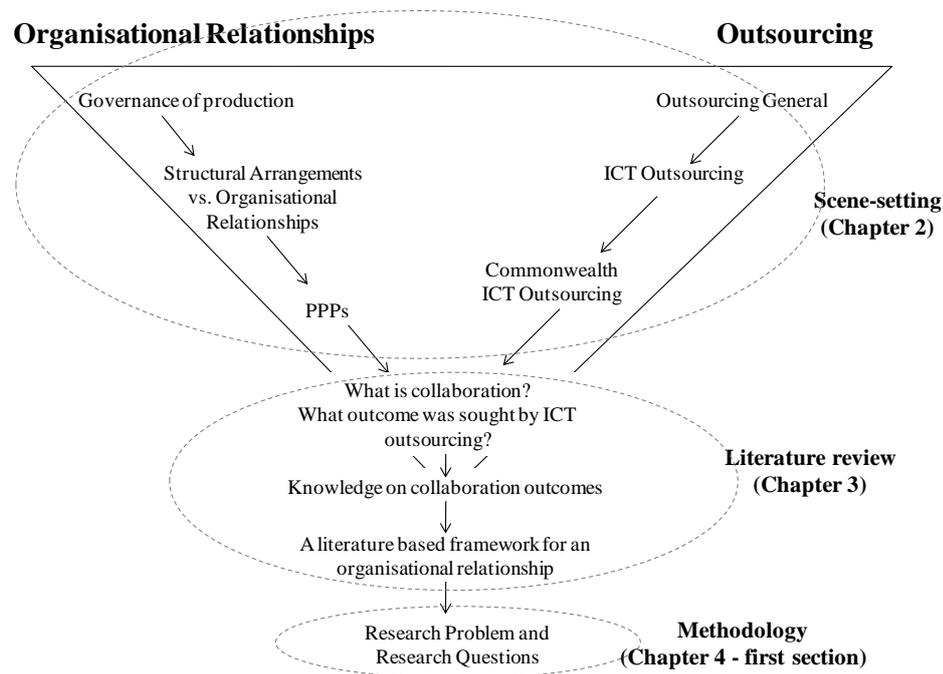
Post-Positivism (Critical Realism) can be viewed as the mid-point between Positivism and Interpretivism. These researchers seek to understand but also to explain the social world, allowing also for interpretation in research. Critical realism is compatible with a wide range of research methods (Grix 2004, p.86).

Appendix B – Literature search process

The search and review of literature was principally conducted over the period of 2006 to 2007, however there has been ongoing monitoring of new material over the entire period of the research.

Given the breadth of these two fields of study of organisational relationships and outsourcing, a funnelling technique was implemented where information was first selected at a generic level and then with increasing focus on the research topic, and as directed in citations from the preceding documents. The funnelling technique is illustrated in Figure B.1.

Figure B.1 – Funnelling technique



The recognised limitations of the funnelling technique are:

- There may be other areas of study (such as public policy and democratic theory) not included at the topmost level which may have drawn-out factors relevant to the research. As a result, these important factors may have been missed.
-

- Due to the extent of the information in these fields of study, there is the potential to narrow the focus too quickly, to get to the topic of the research. There was hence the potential to omit some seminal research.

In addition, the researcher was always cognisant of his previous and current professions and attempted to ensure that the information sought was impartial, broadly based and interpreted without bias. The result of this cautious approach may have been the omission or restrained interpretation of important aspects of current knowledge.

The recognised limitations of the funnelling technique were mitigated through:

- detailed discussions with supervisors and subject matter experts on the potential for the research to have overlooked critical areas of knowledge;
- continued wider reading in areas such as public administration and public policy;
- attendance at relevant seminars in these broad areas;
- work-in-progress presentations of the research to academic staff; and
- the use of reviews on the topics by other commentators.

The funnelling technique used in the search of literature was informed by an understanding of the seminal journals and authors on ICT outsourcing. The identified journals and authors were used as a start point in search algorithms.

On the basis of the increasing interest in ICT outsourcing and an increase in the volume of literature devoted to it, Gonzalez et al. analysed the literature with an aim of identifying the main topics, methodologies and most prolific authors and countries. They analysed 131 articles between 1988 and 2005 and determined that the Journal of Information Technology (JIT) had been the most prolific publisher of IS outsourcing articles. The top eight of their rankings are provided at Table B.1 (Gonzalez et al. 2006, p.823).

Table B.1 - Number of articles on IS outsourcing in journals

Journal	% of Articles
Journal of Information Technology (JIT)	16.0
Information & Management (I&M)	12.2
Communications of the ACM (CACM), and International Journal of Information Management (IJIM)	9.2
Industrial Management and Data Systems (IM&DS)	8.4
European Journal of Information Systems (EJIS)	7.6
Journal of Management Information Science (JMIS), and Sloan Management Review (SMR)	6.9
Information Systems Research/MIS Quarterly (ISR/MISQ)	4.6

Source: Developed for this study from Gonzalez et al. (2006, p.823)

Gonzalez et al. also identified the most prolific authors. The list of the top eleven authors is provided in Table B.2 along with the country which represents the nationality of the university or other organisation that the author was working with when the article was published.

Table B.2 - Number of articles on IS outsourcing by author

Author	No. of Articles	Country
Willcocks, L.	11	UK
Lacity, M.C.	8	USA
Ang, S.	6	Singapore
Cheon, M.J.	5	USA, Korea
Feeny, D.	5	UK
Grover, V.	5	USA
Kern, T.	5	The Netherlands
Rao, H.R.	5	USA

Author	No. of Articles	Country
Rivard, S	5	Canada
Teng, J.T.C.	5	USA
Fitzgerald, G.	4	UK

Source: Gonzalez et al. (2006, p.828)

Using this research by Gonzalez et al. the top six journals were searched extensively via on-line access using keyword searches (outsourcing, IT outsourcing, IS outsourcing etc.) and library catalogues used to search for relevant articles by the nine most prolific authors.

Appendix C – Literature review data

Table C.1 – Constructs: Mandell and Steelman

Construct group	Constructs	Construct characteristics
Interaction process	information sharing problem orientation	ranging from no sharing to open disclosure ranging from individual to shared problem orientation
Parties	commitment to goals breadth of effort scope of effort governance	individual to common and agreed (collective) goals ranging from limited to broad participation from status quo to recognising the need for systems change arms-length to shared authority
Atmosphere	trust and risk intensity of linkages	risk averse to implicit trust ranging from independent to mutually interdependent
Environment	complexity of purpose	simple individual goals to complicated joint objectives

Source: Adapted from Mandell and Steelman (2003, pp.205-9)

Table C.2 – Constructs: Centre for Technology in Government

Construct Group	Constructs	Construct characteristics
Interaction process	communication and coordination	principles, structure, and innovative problem-solving all contribute to good performance
Parties	not covered	
Atmosphere	leadership trust risk management	political, managerial, and individual leaders playing mutually reinforcing roles public trust and interpersonal trust are both necessary for project success risks to sustainability lie in the external environment and in the inner workings of the project itself
Environment	not covered	

Source: Adapted from Centre for Technology in Government (2004, pp.1-2)

Table C.3 – Constructs: Houldsworth and Alexander

Construct Group	Constructs	Construct characteristics
Interaction process	shared language task focus	
Parties	strong facilitation and lots of energy geographical proximity electronic support as appropriate	
Atmosphere	face-to-face meetings shared mutual interests feedback on ideas and concepts common goals and agreement on ways of working	
Environment	social interaction	

Source: Adapted from Houldsworth and Alexander (2005, p.215)

Table C.4 – Constructs: Bardach

Construct Group	Constructs	Construct characteristics
Interaction process	communication network	the ongoing improvement of effective communications
Parties	acceptance of leadership improved steering capacity intellectual capital implementation network advocacy group	ongoing and increasing capacity and demand for leadership achieved through the development of trust, steering and leadership concerning the nature and the scope of the problem and a strategic idea about collaborative action the machinery of the organisations to be able to progress the collaborative action elicits contingent resource commitments
Atmosphere	trust creative opportunity continuous learning	grows through the effective working with one another there needs to be the opportunity for exploitation to be considered the capacity to learn how to improve through ongoing performance monitoring
Environment	not covered	

Source: Adapted from Bardach (Bardach 2001, pp.152-5)

Table C.5 – Consolidated constructs: relationships outcomes

Construct Group	Constructs	Construct characteristics
Interaction process	information sharing problem orientation	ranging from no sharing to open disclosure ranging from individual to shared problem orientation
	communication and shared language	the ongoing improvement of effective communications
Parties	commitment to goals, understanding and buy-in of the relationship by individuals breadth and scope of effort	individual to common and agreed (collective) goals ranging from limited to broad participation and from accepting status quo to recognising the need for systems change
	improved steering capacity, good governance, strong facilitation and lots of energy intellectual capital	ranging from arms-length to shared authority and achieved through the development of trust, steering and leadership
	implementation network, coordination and electronic support as appropriate	concerning the nature and scope of the problem and the strategic idea about collaborative action and the machinery of the organisations to be able to progress the collaborative action. Includes principles, structure, and innovative problem-solving all contribute to good performance
	geographical proximity, social interaction and bonding between the individuals/groups of the parties	
Atmosphere	common goals and agreement on ways of working intensity of linkages and commitment to the relationship trust	ranging from independent to mutually interdependent risk averse to implicit trust covering public trust and interpersonal trust
	knowledge of the other party, particularly their core competencies continuous learning	the capacity to learn how to improve through ongoing performance monitoring
	leadership including feedback on ideas and concepts risk management	political, managerial, and individual leaders playing mutually reinforcing roles risks to sustainability lying in the external environment and in the inner workings of the project itself
Environment	complexity of purpose and ability for creative opportunity	simple individual goals to complicated joint objectives; there needs to be the opportunity for exploitation to be considered

Table C.6 - Constructs: Barratt.

Construct Group	Constructs	Construct characteristics
Interaction process	information exchange	supply chains need to be information based rather than inventory based
	Parties	process alignment
	joint decision-making	overcome problems such as forecasting (decision making) in isolation
	cross functional activities	remove boundaries which are shown to restrict the flow of information
	corporate focus	avoid distractions from outside the organisation
	managing change	collaboration requires programmes to support the changes
	intra-organisational support	senior management support and then from other parts of the organisation
	use of technology	grows in terms of supporting the growing volume of information exchange
Atmosphere	openness and honesty communication	develops trust, respect and commitment broad interfaces between organisations rather than single points of contact
	resource commitment	understand that collaboration is going to be resource hungry
	mutuality	has to be mutual benefits and mutual risk sharing
	collaborative culture	performance measures aligned to functional activities rather than supply chain processes
	external and internal trust	the supply chain requires a degree of trust between all participants
Environment	not covered	

Source: Adapted from Barratt (2004, p.36).

Table C.7 - Constructs: Skjoett-Larsen et al.

Construct Group	Constructs	Construct characteristics
Interaction process	shared information	Basic CPFR - Sales orders and confirmation. Inventory data Developed CPFR - Demand data, Order planning data, Promotion data, and Production data Advanced CPFR - Demand data, Order planning data, Promotion data, and Production data
	degree of discussion	Basic CPFR - none Developed CPFR - some Advanced CPFR - frequently

Construct Group	Constructs	Construct characteristics
Parties	coordination and synchronisation	Basic CPFR - none Developed CPFR - some Advanced CPFR - on all activities
Atmosphere	type of relationship	Basic CPFR - transactional Developed CPFR - information sharing Advanced CPFR - mutual learning
Environment	not covered	

Source: Adapted from Skjoett-Larsen et al. (2003, p.537)

Table C.8 – Consolidated constructs: SCM.

Construct Group	Constructs	Construct characteristics
Interaction process	shared information	Basic CPFR - Sales orders and confirmation. Inventory data Developed CPFR - Demand data, Order planning data, Promotion data, and Production data Advanced CPFR - Demand data, Order planning data, Promotion data, and Production data
	degree of discussion	Basic CPFR - none Developed CPFR - some Advanced CPFR - frequently
Parties	coordination and synchronisation	Basic CPFR - none Developed CPFR - some Advanced CPFR - on all activities
	process alignment	supply chain collaboration requires a focus on processes that crosses functional boundaries
	joint decision-making	overcome problems such as forecasting (decision-making) in isolation
	cross functional activities	remove boundaries which are shown to resist the flow of information
	corporate focus managing change	avoid distractions from outside the organisation collaboration requires programmes to support the changes
	intra-organisational support	senior management support and then from other parts of the organisation
	use of technology	grows in terms of supporting the growing volume of information exchange
Atmosphere	type of relationship	Basic CPFR - transactional Developed CPFR - information sharing Advanced CPFR - mutual learning
	openness and honesty communication	develops trust, respect and commitment broad interfaces between organisations rather than single point of contact
	resource commitment	understand that collaboration is going to be resource hungry
	mutuality collaborative culture	has to be mutual benefits and mutual risk sharing performance measures aligned to functional activities rather than supply chain processes

Construct Group	Constructs	Construct characteristics
	trust	the supply chain requires a degree of trust between all participants
Environment	not covered	

Table C.9 – Constructs: McDonald et al.

Construct Group	Constructs	Construct characteristics
Interaction process	Quality of product/service. Volume related factors	The product/service must meet the business criteria of the buying company and add value The sales volume (sometimes referred to as total contract value) meant that the account would be well recognised throughout the business and was therefore the overriding factor for the selection of key accounts
	Potential for profit	In addition to the sales volume, selling companies also rated customers highly where there was the potential for future profit (sometimes referred to as the sales pipeline).
Parties	Quality of people	The personality of the key contacts as well as their skills, were seen as important
	Understanding of the buying company's business and business environment.	Buying companies want the key account manager to know as much about the political, economic, social, and technological factors affecting their business as they know themselves
	Ease of doing business.	The most important factor in forming partnerships was the ability to instil quality processes that would then make it easier for the companies to do business
	Communications.	Advanced interpersonal skills including verbal fluency, presentation skills and exercising influence in meetings, were considered a must
	Product/service knowledge	The buying company expected key account managers to have a detailed understanding of how products and services could be applied
Atmosphere	Integrity.	There was a need to be able to trust the key account manager as an individual, and as well as there being corporate integrity within the selling company.
Environment	Status related	Selling companies stated that they were likely to target blue-chip companies

Source: Adapted from McDonald et al. (1997, pp.747-9)

Table C.10 – Constructs: Ryals and Humphries.

Construct Group	Constructs	Construct characteristics
Interaction process	Value	Aspects were: revenues, growth, profitability, satisfaction/relationship quality, power balance, consultancy, and continuity in relationships.

Construct Group	Constructs	Construct characteristics
Parties	not covered	
Atmosphere	Trust and reliability	Aspects were: process development and supply chain management, lower costs, increased cooperation, reduced risk, increased share of customer spend, speed of results, and missing skills.
	Flexibility	Aspects work: faster response, adaptability, performance, shared expertise, geographical advantage, customisation, and working together as a team.
	Relationship stability	Aspects were: reduced risk, consistency, reduced co-worship them, reduced conflict, long-term relationship, sharers spend, joint planning and alignment, and sharing of responsibility.
	Communication	Aspects were: risk reduction, cooperation and coordination, predictability, forecasting, lower costs, faster results, internal communications, and open and honest culture.
Environment	not covered	

Source: Adapted from Ryals and Humphries (2007, p.322)

Table C.11 - Consolidated constructs: KAM.

Construct Group	Constructs	Construct characteristics
Interaction process	Quality of product/service.	The product/service must meet the business criteria of the buying company and add value
	Value	Revenues, growth, profitability, satisfaction/relationship quality, power balance, consultancy, and continuity in relationships.
	Potential for profit	In addition to the sales volume, selling companies also rated customers highly where there was the potential for future profit (sometimes referred to as the sales pipeline).
Parties	Quality of people	The personality of the key contacts as well as their skills, were seen as important
	Understanding of the buying company's business and business environment.	Buying companies want the key account manager to know as much about the political, economic, social, and technological factors affecting their business as they know themselves
	Ease of doing business.	The most important factor in forming partnerships was the ability to instil quality processes that would then make it easier for the companies to do business
	Product/service knowledge	The buying company expected key account managers to have a detailed understanding of how

Construct Group	Constructs	Construct characteristics
		products and services could be applied
Atmosphere	Integrity.	There was a need to be able to trust the key account manager as an individual, and as well as there being corporate integrity within the selling company.
	Trust and reliability	Process development and supply chain management, lower costs, increased cooperation, reduced risk, increased share of customer spend, speed of results, and missing skills.
	Flexibility	Faster response, adaptability, performance, shared expertise, geographical advantage, customisation, and working together as a team.
	Relationship stability	Reduced risk, consistency, reduced co-worship them, reduced conflict, long-term relationship, sharers spend, joint planning and alignment, and sharing of responsibility.
	Communication	Risk reduction, cooperation and coordination, predictability, forecasting, lower costs, faster results, internal communications, and open and honest culture.
Environment	Status related	Selling companies stated that they were likely to target blue-chip companies
	Volume related factors	The sales volume (sometimes referred to as total contract value) meant that the account would be well recognised throughout the business and was therefore the overriding factor for the selection of key accounts

Table C.12 – Constructs: Thompson and Sanders.

Construct Group	Constructs	Construct characteristics
Interaction process	not covered	
Parties	Objectives	Competitive - No common objectives; they may actually conflict Cooperative - Common objectives that are project specific Collaborative - Long term focus on accomplishing the strategic goals of involved parties Coalescing - Not provided
	Performance measures	Competitive - No common project measures between the organisations. Little or no continuous improvement Cooperative - Partnership measures that may or may not resemble organisational measures used on other projects Collaborative - Common measurement system for the projects and the relationship Coalescing - One common performance measurement system
	Communication	Competitive - Singular points of contact between the

Construct Group	Constructs	Construct characteristics
	Inter-personal relationships	<p>organisations</p> <p>Cooperative - Multiple points of contact</p> <p>Collaborative - Openness, honesty</p> <p>Coalescing - Not provided</p> <p>Competitive - Success coming at the expense of others (win/lose mentality)</p> <p>Cooperative - Improved interpersonal relationships. Team members are likely to be involved in projects outside the partnering relationship</p> <p>Collaborative - Improved processes with reduced duplication.</p> <p>Coalescing - Cooperative relationships supported by collaborative experiences and activities</p>
Atmosphere	Trust and risk	<p>Competitive - Little trust, with no shared risk; primarily a defensive position</p> <p>Cooperative - Limited trust and shared risk; guarded information sharing</p> <p>Collaborative - Increased risk sharing</p> <p>Coalescing - Implicit trust and shared risk</p>
	Time together	<p>Competitive - Short term focus</p> <p>Cooperative - Medium term focus</p> <p>Collaborative - Multi-project agreement; long-term relationships with their guaranteed workload</p> <p>Coalescing - Transparent interface</p>
	Culture	<p>Competitive - Competitive relationship maintained by coercive environment</p> <p>Cooperative - Improved relationship</p> <p>Collaborative - Shared authority. Relationship specific measures tied to team incentives</p> <p>Coalescing - Cultures integrated and directed to fit the application</p>
Environment	not covered	

Source: Compiled and extracted from Thompson and Sanders (1998, pp.74-7)

Table C.13 - Consolidated constructs: longitudinal studies.

Construct Group	Constructs	Construct characteristics
Interaction process	not covered	
Parties	Objectives	<p>Competitive - No common objectives; they may actually conflict</p> <p>Cooperative - Common objectives that are project specific</p> <p>Collaborative - Long term focus on accomplishing the strategic goals of involved parties</p> <p>Coalescing - Not provided</p>
	Performance measures	<p>Competitive - No common project measures between the organisations. Little or no continuous</p>

Construct Group	Constructs	Construct characteristics
	Communication	<p>improvement</p> <p>Cooperative - Partnership measures that may or may not resemble organisational measures used on other projects</p> <p>Collaborative - Common measurement system for the projects and the relationship</p> <p>Coalescing - One common performance measurement system</p> <p>Competitive - Singular points of contact between the organisations</p> <p>Cooperative - Multiple points of contact</p> <p>Collaborative - Openness, honesty</p> <p>Coalescing - Not provided</p>
	Inter-personal relationships	<p>Competitive - Success coming at the expense of others (win/lose mentality)</p> <p>Cooperative - Improved interpersonal relationships. Team members are likely to be involved in projects outside the partnering relationship</p> <p>Collaborative - Improved processes with reduced duplication.</p> <p>Coalescing - Cooperative relationships supported by collaborative experiences and activities</p>
Atmosphere	Trust and risk	<p>Competitive - Little trust, with no shared risk; primarily a defensive position</p> <p>Cooperative - Limited trust and shared risk; guarded information sharing</p> <p>Collaborative - Increased risk sharing</p> <p>Coalescing - Implicit trust and shared risk</p>
	Nature of the relationship	<p>Competitive - Adversarial and limited to price-based discussions</p> <p>Cooperative - Long-term contracts with fewer suppliers</p> <p>Collaborative - Notable from increased information sharing</p> <p>Coalescing - Noted by joint planning and technology sharing</p>
	Time together	<p>Competitive - Short term focus</p> <p>Cooperative - Medium term focus</p> <p>Collaborative - Multi-project agreement; long-term relationships with their guaranteed workload</p> <p>Coalescing - Transparent interface</p>
	Culture	<p>Competitive - Competitive relationship maintained by coercive environment</p> <p>Cooperative - Improved relationship</p> <p>Collaborative - Shared authority. Relationship specific measures tied to team incentives</p> <p>Coalescing - Cultures integrated and directed to fit the application</p>
Environment	not covered	

Appendix D – Interview and analysis data:

Self-Managed Sourcing case study

The data in the tables contained in this Appendix is provided in its ‘raw’ form, and as developed in the interviews. By retaining the data in its raw form, the researcher has as far as possible, tried to retain the richness of the participant’s views.

Table D.1 – Developed Model: ICT service provider.

Construct Group	Construct	Outcome			
		Dissociated benefits	Low mutual benefits	Medium mutual benefits	High mutual benefits
Interaction Process					
Parties	Business focus and objectives. [Business Interdependence]	No relationship. No real reason to get the service or product from the other organisation. Buyer/seller. Do it yourself. Not needed.	Small value-add and hence some (small) reason to buy service or product from other organisation. Basic supply. Used, but many suppliers could also provide services.	Reasonable value-add. Use of the product or service provides alignment of a number of the business goals of both organisations. Some parts needed. Some value-add and flexibility provided. Some involvement in projects outside core business.	Intimate alignment of services with the business goals of both organisations. Essential supplier fully integrated into the business.
	Governance	A developing framework between the organisations. Organisations have bureaucracy that erodes sense of trust. Progress gets bogged down because the risks need to be covered off each and every time.	Organisational framework that progresses projects that are only beneficial to one of the organisations or that only permits low risk projects to progress.	Mature organisational framework that allows most initiatives to progress efficiently and effectively. Head agreement where the risks are all captured and not discussed for every work item.	Joint decision making and ownership. An honest sharing of risks and rewards. Contractual agreement is relational rather than services based.
	Leadership (drive and facilitate the relationship and manage risk). [Influence]	Try to negatively influence the other organisation. The attitude that I only win if you lose.	Not worried about the other organisation. Only worried about influence to benefit outcomes for themselves.	Some small concessions to the other organisation but each organisation mainly influences situations where there is major benefit to themselves.	Influence is in both directions. Both organisations influence each other to the benefit of business outcomes for both organisations.
	Incentive	Strict contractual	The contract is used	A balanced position	Unending tolerance

Construct Group	Construct	Outcome			
		Dissociated benefits	Low mutual benefits	Medium mutual benefits	High mutual benefits
	Alignment. [Business Empathy]	compliance. No tolerance. Sitting by the contract and the service levels. No practical understanding that things cannot be perfect all the time.	as a threat in the background. There is tolerance in easy or low risk areas only.	between tolerance when performance is unsatisfactory and the adherence of reasonable performance measures. Set within an understanding of reasonable business outcomes. Not a synonym for sloppy performance.	for poor performance. Disregard for proper business outcome.
	Quality, and skills of people (includes knowledge of product/service). [People (attitude and personality) and People (understanding of business goals)]	No understanding. Staff will only talk to staff in the other organisation that are at their level of seniority or above. Aloof. Very competent in their own field but they have no understanding of business outcomes. Bureaucratic, even though they also want the outcome. Atmosphere is difficult. Process driven. Do not have the full background to tailor a better solution.	Some tolerance of people in the other organisation at lower levels, but they must have demonstrated appropriate expertise and have something to offer. Some understanding of business goals but this is usually only the goals of their own organisation. An understanding of their goals is also often limited.	Position and status are recognised and the staff understands that there are business benefits in dealing with staff at varying levels. Staff are open to new ideas and change. The key people will have a broad understanding of the business goals of both organisations. Creates a flexible and well managed environment to discuss difficulties. Not slack or tied down to process.	Staff are friendly and do not worry about position or status. Have people who can project their influence and who embrace change. The people that the other organisation needs to deal with have an intimate understanding of people and leadership issues. An intimate understanding of goals of both organisations, by both organisations. This allows efficient joint working and focused proposals to get the best outcome for both organisations.
Atmosphere	Type of relationship. Organisational Structure	Dysfunctional. Each organisation needs to develop multiple contacts to do business. Gives the impression that the organisation is all over the place with no cohesion.	Working with the right person might help you out, however this would be pure luck to find this person. Some areas of inter-working are okay, but it is generally difficult to work across the breadth of the organisation.	Some parts of the organisation are easy to deal with and assist in navigating the remainder of the organisation. Corporate IT manages the day to day interface. Well defined interface in each business area.	Functional (vertical integration). Pleasure to deal with across the whole organisation. Single clear-cut gateway to view and deal with the organisation. Single view of the business goals and no conflicting goals.
	Integration of cultures and ease of doing business. ... Organisational Culture and Fit	Singular points of contact between the organisations. Different cultures with no attempt to bridge the gap.	Improved interpersonal relationships. Different cultures only within particular parts of the organisation. Some effort to bridge the gap.	Improve processes and reduced duplication. Moderate to high fit in areas that impact. Cultural alignment in the areas that matter.	Transparent interface. Cultural alignment across the whole organisation. Lots in common. The "let's go out to dinner" mentality and relationships outside the work environment.

Construct Group	Construct	Outcome			
		Dissociated benefits	Low mutual benefits	Medium mutual benefits	High mutual benefits
	Trust and integrity.	No trust. Suspicious of the motives of the other organisation ... that they were out to extract gain and create win/lose outcome.	Basic trust but only in low risk projects. All things being done in strict accordance with rigorous contracts.	General trust where some elements are checked occasionally to ensure that trust is still warranted. Contract gets viewed occasionally.	The inherent trust. No checking. Look out for the interests of both organisations. Looking for a win/win outcome. Contract is locked in the cupboard!
Environment	Business environment. ... Parochialism.	Have a regional or local business focus (i.e. a section of the total organisation) with usually a poor view of everything outside their region/local unit. This characteristic impact on the business outcomes of both organisations. The group is not easy to meet with. They only deal with you if you have something to deal with you about.	Have a regional view but are at least willing to listen to the views of external groups. Whilst external views are accepted, these are neither sought (encouraged) nor fully considered.	Work together well internally and may allow external views to influence their direction. External views are not actively sought but are fully considered.	Work together (internally) very efficiently and also work efficiently with external groups. Go out of their way to be inclusive and seek other views which are fully and transparently considered. Cooperative and open.

Table D.2 - Interview themes: Self-Managed case.

Themes (NVivo® Nodes)	Number of interviews where the theme was cited				Total number of citations			
	Govt agency	Office automation provider	ICT service provider	Total	Govt agency	Office automation provider	ICT service provider	Total
Collaboration (benefits)	1	0	0	1	1	0	0	1
Relationship (develops over time)	0	1	0	1	0	1	0	1
Collaboration (commitment)	0	1	0	1	0	1	0	1
Relationship (competitive or combative)	0	0	1	1	0	0	1	1
Relationship (shareholder)	0	0	1	1	0	0	1	1
People (influence on outcomes)	0	0	1	1	0	0	3	3
Governance (risk management)	0	0	1	1	0	0	4	4
Business Competence	2	0	0	2	2	0	0	2
Sourcing Strategy	2	0	0	2	3	0	0	3

Themes (NVivo® Nodes)	Number of interviews where the theme was cited				Total number of citations			
	Govt agency	Office automation provider	ICT service provider	Total	Govt agency	Office automation provider	ICT service provider	Total
Interaction (Frequency)	1	0	1	2	2	0	1	3
Governance (delegation)	0	2	0	2	0	5	0	5
Service Levels & Quality	3	0	0	3	4	0	0	4
Strength of decision making	0	2	1	3	0	4	1	5
Organisational location (separation)	0	2	1	3	0	4	2	6
People (personal relationships)	0	1	2	3	0	1	5	6
Reason for the Relationship	1	0	3	4	1	0	3	4
Strategic Planning	3	1	0	4	4	1	0	5
Relationship (value based)	2	1	1	4	6	1	1	8
Communication	0	2	2	4	0	5	4	9
Governance (consultation)	1	2	1	4	1	8	1	10
Organisational diversity (knowledge of services)	1	1	2	4	4	1	5	10
People (tenure and handover for stability)	1	3	0	4	1	10	0	11
Information Sharing	2	2	1	5	2	5	3	10
Organisational Maturity	3	1	1	5	9	2	1	12
Public Sector (Services) Environment	4	1	1	6	12	3	3	18
Commercial Relationship (commodity based)	3	1	3	7	3	1	4	8
Governance (Processes)	4	1	2	7	13	1	6	20
Organisation structure	5	1	1	7	18	3	2	23
People (Attitude)	5	0	3	8	19	0	11	30
Trust and confidence	5	2	2	9	13	3	3	19
Governance (leadership)	3	3	3	9	10	5	4	19
People (skills & understanding)	3	4	2	9	5	14	3	22
	5	4	3	12	19	14	5	38

Table D.3 – Emerged Model: Self-Managed case.

Construct Group	Construct	Collaborative outcome			
		Dissociated benefits	Low mutual benefits	Medium mutual benefits	High mutual benefits
Interaction Process					
Parties	Business focus and objectives.	No common objectives. There may be conflict. No understanding of the other's business or business goals. May reflect a typical buyer/supplier arrangement. No relationship. No real reason to get the service or product from the other organisation. Buyer/seller.	Common objectives that are project specific. Some understanding of business goals. Perhaps people only know their own goals. Small value-add and hence some (small) reason to buy service or product from other organisation. Basic supply. Used, but many suppliers could also provide services.	The key people will understand the business goals of both organisations. Knowledge of the other's business is maintained by decision-makers. Reasonable value-add. Use of the product or service provides alignment of a number of the business goals of both organisations. Some parts needed. Some value-add and flexibility provided. Some involvement in projects outside core business.	Long-term focus on accomplishing the strategic goals of involved parties. There is an intimate understanding of the goals of both organisations by all people in the organisations. Intimate understanding across the whole organisation of the other party's business. Intimate alignment of services with the business goals of both organisations. Essential supplier fully integrated into the business.
	Interpersonal relationships	Poor interpersonal relationships. Arrogant or rude, treated as an inferior. Suspicious of the motives of people in the other party and have no trust in them. Customer thinks that there is lock in. Wrong people or experience in dealing with the contract. No understanding of the services being outsourced. Face value, only come to see you because they have to and then only late in the contract. Arrogant with no interpersonal skills. No understanding of the outcome/customer's requirements. Just follow the	Improved interpersonal relationships. Only tell you what they want. Do not seek advice. Scattered mix of people with the correct attitude and also those suspicious of the motives of the other party. A few scattered people have the understanding. Only to get something out of it for themselves. No benefit to the other party. Has own views, may listen to views of other party but unlikely to act on them.	Team members are likely to be involved in projects outside the partnering relationship. Seek assistance in a warm fashion. Service facing people in both organisations have the correct attitude which sustains the relationship. Service facing people have the experience and use this in the period leading up to the contract signature. Occasionally consider initiatives that will benefit the other party. Engages with the other party and provides honest effort but acts mainly in self-interest.	Cooperative relationships supported by collaborative experiences and activities. Looking for assistance from an equal. Regarded as part of the team. Implicit trust by both sides. Best outcome for both parties with no lock-in. Both sides have people with the attitude of what we can do for you and not what can we get out of you. All people are experienced. Willingness to work with the other party and seek to understand their requirements.

Construct Group	Construct	Collaborative outcome			
		Dissociated benefits	Low mutual benefits	Medium mutual benefits	High mutual benefits
		processes!			
	Governance.	<p>No common direction, the potential for a dysfunctional organisation. Rapid change of people which impacts on stability and the ability to meet business goals. Impact is ongoing, resulting in lost productivity and increased cost. Misplaced authority. Separated staff with difficult access (limited to telephone or e-mail only). A developing framework between the organisations. Organisations have bureaucracy that erodes sense of trust. Progress gets bogged down because the risks need to be covered off each and every time. No prior governance model put in place. Either party is impacted by the wrong processes being used. There are lots of business units and projects in both parties making it very difficult for the other party to get established. Also an internal habit of offloading costs to others to keep certain of their internal projects on track. Due to the size and complexity of the customer the supplier has no understanding of the customer's requirements and does not know where to start.</p>	<p>Consistency across some parts of the organisation (some business units). Dispersed (different) direction may also be linked to inconsistent organisational processes. Regular change of people, either from outside or other areas of the organisation. This usually results in major blips, lost productivity and increased cost. Sporadic delegation that is not consistent across the organisation or against a process. Staff from both organisations only come together for meetings and other limited occasions. Improved interpersonal relationships. Organisational framework that progresses projects that are only beneficial to one of the organisations or that only permits low risk projects to progress. A governance structure is developed that is one-sided usually favouring the buyer. Basic processes in place. Some flexibility but only in low value and low risk areas. Customers usually have separate IT Management Unit and Business Units. Business Unit and the IT supplier may not come up with or</p>	<p>An accountable person has a single and consistent organisation wide view on issues that matter to the other organisation. Perhaps also integrated with good processes. Some change of people however organisational focus is maintained through sound hand-overs. There may be minor blips. Lost productivity and cost is minor. Consistent delegation across the organisations but no rationale. Staff meet regularly and have close contact. Team members may also be involved in projects outside the partnering agreement. Mature organisational framework that allows most initiatives to progress efficiently and effectively. Head agreement where the risks are all captured and not discussed for every work item. A limited attempt to develop a balanced governance structure but little understanding of the true issues. Processes are being developed but are not mature. Governance attempts to provide flexibility to support business requirements. Parties do not achieve this equally. Occasional</p>	<p>A single voice (view) across the whole of the partnering organisations. Different business units have the same view. Long-term tenure of people which provides constant vision and organisational focus. Delegation that reflects the business goals of both organisations. Co-located and integrated teams. Transparent interface. Close social bonds and activities outside the partnering agreement. Joint decision making and ownership. An honest sharing of risks and rewards. Contractual agreement is "relational" rather than services based. Both parties strive to act as a homogeneous organisation and assist the other in understanding their requirements. Documented and balanced service management layer with both parties held to account for their performance against it. Reported progress. Mature processes which are strongly implemented. Create value for both organisations and takes a flexible approach and proactive action. Understand the business and get involved.</p>

Construct Group	Construct	Collaborative outcome			
		Dissociated benefits	Low mutual benefits	Medium mutual benefits	High mutual benefits
			understand the organisational strategic plan or will miss out on some elements that are outside their experience e.g. security.	proactive measures but with no consistency. Customer assists the supplier in understanding the complexity of the organisation. This may involve a three-way relationship between the business unit, the IT management unit and the IT vendor.	
	Leadership (drive and facilitate the relationship and manage risk).	No common direction, the potential for a dysfunctional organisation. No consultation on decision-making. Try to negatively influence the other organisation. The attitude that I only win if you loose.	Consistency across some parts of the organisation (some business units). Dispersed (different) direction may also be linked to inconsistent organisational processes. Sporadic consultation on decision-making. Not worried about the other organisation. Only worried about influence to benefit outcomes for themselves.	An accountable person has a single and consistent organisation wide view on issues that matter to the other organisation. Perhaps also integrated with good processes. Shared decision-making on matters that impact the other organisation. Some small concessions to the other organisation but each organisation mainly influences situations where there is major benefit to themselves.	Individual leaders playing mutually reinforcing roles. A single voice (view) across the whole of the partnering organisations. Different business units have the same view. Shared decision-making on all matters. Influence is in both directions. Both organisations influence each other to the benefit of business outcomes for both organisations.
	Quality, and skills of people (includes knowledge of product/service)	Short-term focus. Not knowing the right decision. No understanding. Staff will only talk to staff in the other organisation that are at their level of seniority or above. No confidence, sceptical of advice from the other party. Need to check everything. No understanding by the seller of their own products it ... and they can't deliver them. Buyer does not really understand its requirements and	Knows the right decision but is unwilling to make it. Some tolerance of people in the other organisation at lower levels, but they must have demonstrated appropriate expertise and have something to offer. Supplier only performs as per their contracted SLAs. Basic understanding of their products but are not able to deliver them in a reliable fashion. Customer	Sound decision-making which is sometimes let down due to business or peer pressure. Position and status are recognised and the staff understands that there are business benefits in dealing with staff at varying levels. Staff are open to new ideas and change. Supplier usually meets SLAs and exceeds on some. Test advice in certain (e.g. high risk) cases. Confidence in	Cultures integrated and directed to fit the application. Understanding the business goals of both organisations and deciding accordingly. Staff are friendly and do not worry about position or status. Team members who are likely to be involved in projects outside the relationship. Have people who can project their influence and who embrace change. The people that the other

Construct Group	Construct	Collaborative outcome			
		Dissociated benefits	Low mutual benefits	Medium mutual benefits	High mutual benefits
		<p>is constantly changing them. Involvement only because they were getting their “statistics [numbers] up”. Just pushing their standard offering without any understanding of the business needs of the other party. Very competent in their own field but they have no understanding of business outcomes. Bureaucratic, even though they also want the outcome. Atmosphere is difficult. Process driven. Do not have the full background to tailor a better solution.</p>	<p>centralisation assists in the supplier understanding the customer's requirements. Basic level of competence although the partner would always test advice. Little confidence in advice from the other party, may accept advice in low risk/dollar projects.</p>	<p>specific areas ... cautious on advice in areas of high business impact. Full understanding of the business but only by a limited number of staff. Main people (staff that face the other party) understand the requirements of the other party.</p>	<p>organisation needs to deal with have an intimate understanding of people and leadership issues. Supplier constantly exceeds their SLAs. No monitoring, no testing of judgement. Fully competent and reliable. Full understanding of their products it. Supplier knows and correctly interprets what the customer wants even though there is incomplete information given by the customer. Customer understands that it has a requirement to provide definitive and clear direction.</p>
Atmosphere	Type of relationship.	<p>Transactional. Take advantage (gouge) of the other party where possible. Just bring “commodities” to the table with no thought of value. Could even provide negative value add through the implementation of inappropriate solutions or being forced into non-commercial agreements. Both parties receive less than what they expected from the agreement. The parties have no confidence in one another, and are sceptical of advice and quotes.</p>	<p>Information sharing. Commercial arrangements are as per the contract with few or no options for value explored. Cooperate on minor projects. Some value-add achieved but it is achieved in a spasmodic and uncoordinated fashion. Some customisation of products and services but not in the areas of greatest value. Provide value but only in low level services.</p>	<p>Mutual learning. Commercial arrangements are based on the contract and in addition innovative pricing options are explored. An attempt made to understand the strategic goals of both parties and value add achieved against a number of these goals. Respected partner (e.g. work together on major projects). Value-add in some critical areas but this is not a consistent approach over time. Needs a gentle reminder every once in a while to make sure it works.</p>	<p>Vertically integrated with shared authority. The budgetary aims of both parties are understood and attempted to be met. Fully, integrated within the business (e.g. part of the decision making process, close to business outcomes). Large value-add. Relationship flows to quantifiable business benefits to the strategic goals of both parties. Provide value-add because they understand the business requirements of the other party and put effort in to customising products and services. Provide value into the high end of the services.</p>

Construct Group	Construct	Collaborative outcome			
		Dissociated benefits	Low mutual benefits	Medium mutual benefits	High mutual benefits
					Fully trustworthy and reliable.
	Trust and integrity.	Little or no trust. Everything is checked by the other party. Suspicious of the motives of the other organisation ... that they were out to extract gain and create win/lose outcome.	Little trust, with no shared risk; primarily a defensive position. Some trust in the other organisation. Only major issues are checked. Basic trust but only in low risk projects. All things are done in strict accordance with rigorous contracts.	Open and honest relationship with increased risk sharing. General trust where some elements are checked occasionally to ensure that trust is still warranted. Contract is viewed occasionally.	Implicit trust and honesty with total sharing of risks and rewards. Potentially demonstrated through an open book policy and shared authority. Inherent trust with no checking of commercial documents such as invoices (may be an annual audit). Look out for the interests of both organisations. Looking for a win/win outcome. Contract is locked in the cupboard!
Environment	Business environment.	Have a regional or local business focus (i.e. a section of the total organisation) with usually a poor view of everything outside their region/local unit. This characteristic impact on the business outcomes of both organisations. The group is not easy to meet with. They only deal with you if you have something to deal with you about. No reason for the relationship. Just a "supply" or buyer/seller relationship. Never hear from them! No interest and no motivation to meet the other party. May potentially have opposite objectives and separate agendas. government trying to get the most for the smallest price. Supplier just trying to fill their order books. No big deal	Have a regional view but are at least willing to listen to the views of external groups. Whilst external views are accepted, these are neither sought (encouraged) nor fully considered. Only call when they have to. Face value. Only motivated when it suits them. Partnerships only work when they like the decisions being made by the other partner. Both parties attempt to dominate the relationship [seeking a beneficial outcome for themselves] but due to lack of skill do so with little effect. Some understanding of the business environment of the other party however this is overshadowed by a poor working relationship.	Work together well internally and may allow external views to influence their direction. External views are not actively sought but are fully considered. Get together when there is an initiated topic (e.g. a service problem or a new project). Enthusiastic for a while, but motivation is commercially based and not long-lasting. Parties starting to work together and some issues developed on the basis of benefits to both parties. The environment of the relationship changes over time and there is some understanding of this and the changing power structure by both parties but they do not make full use of it. There is a good working	Work together (internally) very efficiently and also work efficiently with external groups. Go out of their way to be inclusive and seek other views which are fully and transparently considered. Cooperative and open. Proactive. Enthusiastic about their role and the opportunity. Motivation is more than its dollar value. Acting in the interests of both parties (more likely to be strategic benefits). Complete two-way understanding and ongoing implementation of the understanding. The worth and value created against the organisational relationship is an element of remuneration. Both parties understand the

Construct Group	Construct	Collaborative outcome			
		Dissociated benefits	Low mutual benefits	Medium mutual benefits	High mutual benefits
		to either party if the agreement ended. No reason or understanding why the relationship is being developed. Each party uses its dominance at most effective times [buyer is prior to contract signature and service provider is post-contract signature]. Remuneration of staff within different parts of the organisations fosters win/lose and short term gain mentality. Buyer/seller relationship. Short term (2 to 3 years) agreement ... dissuades a partnering approach.	Short-term agreement with possibility to extend. Extensions only agreed by the buyer (government) based on reduction of service cost ... benefits to one side only. External factors such as political imperatives or external company profitability hinder a relationship.	relationship but little demonstrated understanding of the wider business environment of the other party. Short term contract with extensions that are agreed on the basis of benefits to both parties	environment of the other and the defined processes. External influences are managed by each party with the assistance of the other. Both parties step up to their responsibilities, are open, and share issues. Long term contract <u>could</u> engender better outcome.

Collaboration enablers

Where the current performance of the organisational relationship was judged to be lower than the outcome sought, the participants were asked to consider collaboration enablers that may contribute to moving current performance up to the outcome sought.

Table D.4 – Collaboration enablers: Self-Managed case.

Construct	Collaboration enablers
<p>Governance.</p> <p>Interview Comment: This construct is not a matter of lack of knowledge of the other organisation (i.e. an education issue), particularly at the senior levels, it is a matter of the establishment, implementation and ongoing use of mature and streamlined processes. Organisations generally don't recognise or cater for the cost of governance. Reality is that when costs are taken out of a relationship, they are taken out of the management (including governance) framework. Governance is also a function of the maturity and size of an organisation.</p>	<ul style="list-style-type: none"> • The development of sound internal and joint processes, and have them implemented across the business. • Education on the business requirements (i.e. what's important) of both parties to the leadership team. • Have a point of escalation where business issues can be resolved. • Develop awards for staff (either party) who suggest governance efficiency measures. • Develop governance processes that encompass meetings, the distribution and gathering of information in remote business units. • Assign responsibility to senior management to coordinate tasks in remote business units. • Consider dividing organisations into regions rather than lines of business and then nominate regional interface. • Establish governance processes (joint procedures) early in the relationship and manage against them. Examples, “contract calendar”, list of deliverables/obligations, and regular meetings on performance. • Clarify the roles and responsibilities between the organisations. • Clarify the deliverables and obligations within the organisation. • Review own governance (across the whole organisation) prior to going to market, review and establish if not appropriate and then enforce it. • Regular critical review of procedures and processes (at least annually). • Shield other party from internal bureaucracy by ensuring there is good internal governance.
<p>Leadership</p>	<ul style="list-style-type: none"> • Identify the key people within the relationship, educate them, and introduce them to the key people in the other organisation. • The key stakeholders should be fully briefed on the background to projects and cross-organisational goals. • The key managers in the relationship need to understand how to make it work within the environment. Provide support to those managers (leaders) who do not have the necessary experience (contracting, contract management or major account management) in managing these types of relationships. • Provide wide (i.e. not just at a senior level) cross-organisational education, particularly on the business aims/objectives and operational requirements of the other party. • Encourage informal and social contact between the organisations to foster an understanding of the other's people, culture, and business. • Provide opportunities to work with and within the other organisation (e.g. membership of committees). • Develop relationship by relying on partner organisation for some of your own key business outcomes. • Conduct brainstorming sessions to understand who 'owns' and manages (internally and externally) particular outcomes of the agreement. • Engage the other party in internal decision-making i.e. rather than giving the other party the requirement/solution, give them

Construct	Collaboration enablers
	<p>the problem to solve.</p> <ul style="list-style-type: none"> • Ensure that requirements/needs/problems are properly articulated so that the partner can be effectively engaged.
<p>Quality and Skill of the People.</p> <p>Interview comment: The reality is that people in both parties will necessarily have the self-interest of their organisation at heart (self-serving maximisers). The construct is about how the self-interest may be developed to also consider the interests of the partnering organisation and the inter-organisational relationship.</p>	<ul style="list-style-type: none"> • Provide cross-organisational education to foster interest and understanding in the other organisation. • Encourage individuals to learn about the other organisation and the inter-organisational relationship, and adapt to the benefits of them. • Consider short term work (1 month) staff rotations in the other organisation • Conduct joint planning workshops, internally and with partnering organisation. Encourage wide participation to allow staff at all levels to demonstrate expertise that they usually don't get to use. • Establish recognition (awards) from the other organisation to make people feel important and valued. The awards would be non-cash to ensure probity of the relationship. Recognition would be at joint functions. • Develop opportunities for people in both organisations to understand the business of opportunities/strengths of the other. Examples, demonstration of emerging technology in research labs of private sector and engagement in public sector "think tanks" on service provision.
<p>Type of Relationship</p>	<ul style="list-style-type: none"> • Conduct honest discussions about the commercial arrangements, specifically the areas that are sensitive to the government, or of high and low profit, and what might ease this. • Conduct open discussions about areas of potential increase in scope ... either in current service lines or new service lines. • Consider other initiatives such as early refresh, revised pricing, revised financing. • Both parties need to provide cross-organisational education and opportunities for cross-organisational employment/secondment. • Key people should be motivated (and intimately understand) on background to projects and cross-organisational goals. • During the term, conduct planning sessions/days on "ways to add value" and develop the business fit. • Develop incentives (may be contractual) to bring the business of the organisations together such as bonuses for innovation proposals, and pricing strategies that reward ease of service provision.
<p>Business Environment.</p> <p>Interview comment ... The Australian government ICT outsourcing environment is complex for both the agency and private sector partners. Within the environment the private sector needs to work within the policy guidelines and the public sector needs to recognise the commercial nature of the relationship.</p>	<ul style="list-style-type: none"> • Identify the key people within the relationship, educate them, and introduce them to the key people in the other organisation. The key stakeholders should be briefed fully on the background to projects and cross-organisational goals • Provide wide (i.e. not just at a senior level) cross-organisational education, particularly on the business aims/objectives and operational requirements of the other party. • Encourage informal and social contact between the organisations to foster an understanding of the other's people, culture, and business. • Environment objectives (such as ongoing efficiency measures) need to be clearly stated ... these might be value-add rather than contractual. • Conduct frank discussions at senior level on government and

Construct	Collaboration enablers
	<p>commercial environment. This would include agreement on how to address the environmental factors.</p> <ul style="list-style-type: none"> • Educate the partner organisation about the environment and have genuine discussions (at senior level) on how they might assist. Issues may be around sharing of IP, disclosure, profit, efficiency and technology refresh. • Avoid having managers who don't understand the types of environment pitfalls in their own environment ... need experienced managers on both sides. • Shield other party from the worst aspects of the environment. • Educate internal stakeholders (including organisations such as AGIMO/DoFD) about the environment of the "deal". • Rotate key staff through various parts of the organisation. • Encourage secondments across the organisations.

Appendix E – Interview and analysis data:

Single Sourcing case study

The data in the tables contained in this Appendix is provided in its ‘raw’ form, and as developed within the interviews. By doing this, the researcher has as far as possible, tried to retain the richness of the participant’s views.

Table E.1 – Developed Model: Government agency.

Construct Group	Construct	Outcome			
		Dissociated benefits	Low mutual benefits	Medium mutual benefits	High mutual benefits
Interaction Process	Quality of product/service. [Performance]	The services are normally below expectation and require checking and remediation. Service failures take on a serious nature, take considerable time to resolve, and may evolve to formal disputes and litigation.	Service levels are normally met, but there may be the occasional under-performance. Service failures need to be chased but are quickly resolved through the normal dispute resolution process.	The service levels are usually met (as expected) and occasionally exceeded. There are rare instances where the business partner is required to chase performance but the instances are not of a serious nature. There may be some minor faults but performance is on the basis that there is no wilful non-compliance.	The service levels are always met and normally exceeded with little involvement by the other organisation in asking for that sort of thing. Performance is such that the partnering organisation may be inclined to further the business relationship.
	Communications (Contact between the organisations). [Communication]	Very closed organisations with a lack of or no communication. Parties have to go looking for information and chase people down. This creates inefficiency and frustration. To get any information of value is a struggle and much of the information has no value.	Enforced communication where new arrangements need to be put in place to extract information in specific areas. Content is of no value.	Structured communication (as per the contract) ... the provision of weekly or project reports and nothing more. Content of the communications is prescriptive (such as bland project reports).	Open channels of communications where everyone is informed and where the emphasis is that everyone has the information available to perform their duties. Proactive communication channels.
Parties	Business focus and objectives. [Business environment]	Focus is as for a transactional or utility provider using a punitive contract that has	Work-to-rule. Operating in strict accordance with the processes and the parameters of	Each organisation only does its job and nothing more. They stick to the strict roles and	The parties act as a collective service provider to the businesses units. Co-labour on each

Construct Group	Construct	Outcome			
		Dissociated benefits	Low mutual benefits	Medium mutual benefits	High mutual benefits
		specific metrics that often leads to a wrong focus. Operating below or to the absolute minimum level of the contract. The contract is always on the desk. Parts of the organisation do not understand their own business goals let alone those of the other party.	the contract, nothing more, nothing less. Understanding of the business goals of the other party is limited to the managers and made more difficult by matrix managed organisations.	responsibilities. There is a discussion about any new roles that are outside the norm. There is a conceptual understanding of the business goals of the other party.	other's work. Detailed focus across the organisations on value adding to the heartland business goals of both organisations. Business goals may even be shared.
	Governance (Coordination, synchronisation, and common processes.) [People resourcing] [Bureaucracy]	Resourcing is inadequate in: continuity, suitability, and quantity. The result is a significant loss in business productivity and confidence in the organisational relationship. Short term absenteeism has a serious and adverse outcome for the business of the organisations due to the lack of skilled replacement personnel. Bureaucratic to the nth degree which prohibits progression in a timely fashion. Inflexibility because they are process bound. Can't progress to the next stage until they have completed the current stage ... ponderous processes.	Resourcing routinely causes business difficulty either though non coverage or coverage by inappropriately skilled personnel. There is the occasional significant problem with resources that is critical to operational performance. In-place processes are interpreted in a manner and that allows some flexibility but only in minor, low value and low risk situations.	There are occasional problems with (key) resources that result in a minor blip in operational performance. In general though, there is proactive action to replace resources and in most cases they are suitable for the role. There is an attempt to introduce appropriate flexibility in the in-place processes, but the lack of delegated authority hampers its effectiveness.	There is a pool of appropriately skilled people who can step straight in without any adverse impact on the business when unexpected absences occur. Experienced and technically proficient replacement resources. Flexible process which honours the correct level of probity and governance requirements of both organisations, but flexible enough to suit the appropriate circumstance.
	Leadership (drive and facilitate the relationship and manage risk). [Innovation leadership] [Leadership]	No innovation leadership and no forward thinking. Directionless, no clear direction or directives. No one is taking a leadership role.	Innovation is provided without the business context. It could be new whiz bang technology that does not have the appropriate business links.	Innovation is used for business improvement only. It does not achieve the higher benefits of transformational innovation. United leadership	Business transformation through innovation. United leadership teams both within each organisation and between the organisations.

Construct Group	Construct	Outcome			
		Dissociated benefits	Low mutual benefits	Medium mutual benefits	High mutual benefits
			Too many chiefs and direction is disjointed, creating inefficiency and frustration.	teams but only within each organisation. Can't get the organisations to adopt a joint leadership approach.	Regular and open meetings. There is a shared understanding of, and willingness to implement the visions of both organisations. Supported through open communications and meetings.
	Quality, and skills of people (includes knowledge of product/service). [People]	No real knowledge held at the people level about the business partner. The technical level of skills at the personal level is poor to patchy. There is the attitude that I only win if you lose. Negative rather than positive attitude. Gatekeeper or bureaucratic personalities.	A 'wet blanket' personality where things grind to a halt as they are always 'too hard'. Some of the senior people within the organisation have a basic understanding of the business environment of the other organisation. The technical level of skills at the personal level is also patchy.	The senior and interface people within the organisation have a broad working knowledge of the business environment of the other organisation. The technical level of skills at the personal level are adequate and consistent across the organisation.	There is a solid core of highly skilled people who understand the business environment of their partnering organisation. They have a strategic view and a focus on the long-term relationship. There is openness to look at the issues. They understand the drive needed to progress the organisational goals.
Atmosphere	Type of relationship. [Value brought to the relationship]	Do not understand the business of the other party and as a result do not have the background to be able to add business value. Lack of agility or seen as being bureaucratic. Tries to push solutions straight out of the catalogue. The organisations don't get what they had paid for and face damages or costs that they had not anticipated. There is also the potential for follow-on difficulties such as the bad press from having to reconstitute the	Understand the business of the other but do not act on adding business value. The organisations feel as though they are being experimented on due to untargeted and inexpert projects brought forward. The organisations don't get what they had paid for but omissions are either quickly corrected through reasonable discussion, or the omissions were not critical. The omissions had to be chased.	Understand the business of the partner organisation but only bring forward opportunities that don't hit the mark. This has the effect of wasting time. The organisations recognise their differences and work through them. The organisations got what they paid for ... but only what they paid for! Value of the relationship was limited to traits such as 'reliability' and 'dependability'.	Understand the business of the partner organisation and bring forward opportunities that add business value. Agile organisations, adjust services to new and changing requirements. Win-win for both organisations with unasked for added value. Value may have been in terms of early delivery, reduced costs, or higher performance/product standard. Both organisations believe that the relationship has been a good thing for them in terms of value from a financial

Construct Group	Construct	Outcome			
		Dissociated benefits	Low mutual benefits	Medium mutual benefits	High mutual benefits
		original project.			perspective. There is the potential for recommendations and further business. Innovation is purposeful and targeted.
	Integration of cultures and ease of doing business. [Atmosphere]	Competitive or win/lose environment where there is a feeling of constant attack. Them and us, combative, or siege mentality. Mutual mistrust and questioning of the motives of the other organisation.	There is grudging acceptance of the part played by both organisations with neither organisation attempting to achieve a better outcome. Cautious and secretive. Only work well on some things and this is dependent on personalities.	The relationship is relatively open, transparent and communicative but still fundamentally insular. The culture is aligned due to the shared visions of the organisations.	The organisations are integrated and seamless. There is openness in communication with a no-blame or no-fault approach where both parties are able to speak their minds. The organisations recognise the importance of an aligned culture and continually work to improve it. The atmosphere is ego-less and there is a very high degree of respect between the staff at all levels.
	Trust, reliability and integrity. [Trust]	Relationship is characterised by no trust, distrust, or lack of mutual respect. The motives of the other party may also be questioned. The outcome is that there is additional work and rework due to the need to validate most/all information. The parties may also be less inclined to be open and engaged which leads to inefficiency.	Lack of trust. Organisations do not have the full level of confidence in each other. The trust is limited to elements that are less critical to the business. On major projects or mission critical areas, trust is not assumed and comprehensive checking done.	Trust has developed to the stage where there is mutual trust when working on major projects. The parties would see that they can generally rely on the work/advice from the other party with a routine level of checking such as spot checking and annual reconciliation. There is general confidence rather than absolute confidence.	The relationship is characterised by a high level of trust, and the attitude is ... that seems to be reasonable. There is earned trust between the parties which allows close joint working and achievement. There is (and will always be) a minimal level of checking. There is a very high level of confidence in what is being provided, and that the organisations are being honest with each other.
Environment					

Table E.2 – Interview themes: Single Sourcing case.

Themes (NVivo® Nodes)	Number of interviews where the theme was cited			Total number of citations		
	Government agency	ICT service provider	Total	Government agency	ICT service provider	Total
Governance (consultation)	1	0	1	1	0	1
Organisational diversity (knowledge of services)	1	0	1	1	0	1
Reason for the Relationship	1	0	1	1	0	1
Relationship (expose business requirements)	0	1	1	0	1	1
Relationship (no barriers)	1	0	1	1	0	1
Relationship (open & visible)	1	0	1	1	0	1
Strategic Planning	1	0	1	1	0	1
Organisational (self interest)	0	1	1	0	2	2
People (continuity)	1	0	1	2	0	2
Relationship (agile)	1	0	1	2	0	2
Relationship (meets business objectives)	0	1	1	0	2	2
Organisation (attitude)	0	1	1	0	3	3
Organisation (size match)	1	0	1	3	0	3
People (sufficient numbers)	1	0	1	3	0	3
Organisation structure	1	0	1	4	0	4
Relationship (varies over time)	0	1	1	0	5	5
Circumstance	0	1	1	0	6	6
Relationship (competitive or combative)	1	1	2	1	1	2
Business (contractual) Environment	2	0	2	3	0	3
People (personalities)	0	2	2	0	3	3
Relationship (atmosphere)	2	0	2	3	0	3
Organisational culture	1	1	2	2	2	4
People (influence on outcomes)	2	0	2	4	0	4
Relationship (develops over time)	2	0	2	4	0	4
Relationship (innovation leadership)	2	0	2	7	0	7
Relationship (roles & responsibilities)	0	2	2	0	8	8
People (personal relationships)	1	2	3	1	3	4
Governance (processes)	0	3	3	0	6	6
Relationship (co-labouring)	1	2	3	3	4	7
Relationship (bureaucratic)	3	0	3	10	0	10
People (tenure and handover for stability)	3	0	3	12	0	12
Organisational (performance)	3	1	4	7	2	9
Service Levels & Quality	4	0	4	10	0	10
Collaboration (benefits)	3	2	5	7	2	9
Relationship (commodity based)	4	1	5	7	3	10
Communication	3	2	5	7	7	14

Themes (NVivo® Nodes)	Number of interviews where the theme was cited			Total number of citations		
	Government agency	ICT service provider	Total	Government agency	ICT service provider	Total
Governance (understanding goals & strategies)	0	5	5	0	14	14
Governance (leadership)	2	3	5	9	13	22
People (attitude)	3	3	6	7	7	14
Relationship (business alignment)	4	2	6	11	8	19
People (skills & understanding)	5	1	6	26	2	28
Public Sector (services)	5	2	7	11	2	13
Environment						
Relationship (value based)	5	3	8	13	3	16
Trust and confidence	5	4	9	28	15	43

Table E.3 – Emerged Model: Single Sourcing case.

Construct Group	Construct	Collaborative outcomes			
		Dissociated benefits	Low mutual benefits	Medium mutual benefits	High mutual benefits
Interaction Process	<p>Communications (Contact between the organisations).</p> <p>Note. There is never going to be complete openness in communications in terms of the business agreement. This may be partially achieved.</p>	<p>Deliberate miscommunication that sends the other party off on the wrong track and causes rework or lost productivity.</p> <p>Very closed organisations with a lack of or no communication. Parties have to go looking for information and chase people down. This creates inefficiency and frustration. To get any information of value is a struggle and much of the information has no value.</p>	<p>Lack of communication or one-way communication.</p> <p>Enforced communication where new arrangements need to be put in place to extract information in specific areas. Content is of no value.</p>	<p>Open communications on most matters with a lack of communications on some major issues.</p> <p>Structured communication (as per the contract) ... the provision of weekly or project reports and nothing more. Content of the communications is prescriptive (such as bland project reports).</p>	<p>Openness and truthfulness in communications within the restricted business and commercial environment. As would be expected in a commercial endeavour.</p> <p>Open channels of communications where everyone is informed and where the emphasis is that everyone has the information available to perform their duties. Proactive communication channels.</p>
Parties	Business focus and objectives.	The parties argue about everything and there is general disagreement on all things. The organisational relationship is characterised by disagreement. There is an	The routine stuff is not problematic, but anything out of the ordinary has to be dealt with as a conscious effort. Minimum effort is placed on Business As Usual (Bauer et al.) work, and other out of scope	There is a clear understanding of the boundaries of roles and responsibilities and a “warm” handover of responsibilities. The contract may describe this in detail. The parties	There is a complete overlap in the willingness by the people and the organisations to assist each other. Problems don't fall between the gaps as there are multiple teams (both sides)

Construct Group	Construct	Collaborative outcomes			
		Dissociated benefits	Low mutual benefits	Medium mutual benefits	High mutual benefits
		<p>attitude of ... just do it and drop everything else! Neither party is willing to assist the other. There is a competitive or combative relationship where incidents go to a de facto management group with no overall ownership. The parties may impose unrealistic/unreasonable expectations on one another. There is no mind share, with separate drivers at all levels of the organisations. Each organisation is only interested in their own performance metrics.</p> <p>Focus is as for a transactional or utility provider using a punitive contract that has specific metrics that often leads to a wrong focus. Operating below or to the absolute minimum level of the contract. The contract is always on the desk. Parts of the organisation do not understand their own business goals let alone those of the other party.</p>	<p>work is on a best efforts basis only. Policy level of the contract is understood but is not translated into demonstrable objectives and actions. The parties agree on most routine matters but anything outside the routine they usually have extensive debates about it before a solution is reached. The solution may disadvantage one party but the other party don't care.</p> <p>Work-to-rule. Operating in strict accordance with the processes and the parameters of the contract, nothing more, nothing less. Understanding of the business goals of the other party is limited to the managers and made more difficult by matrix managed organisations.</p>	<p>recognise that there will always be differences of view, but they deal with this with the objective of coming to an agreement that both parties can live with and thrive on. Projects and new work happen easily and effectively. The organisation comes together as a cohesive team when and as required. The parties never have any debate about things that are part of the contract. However, the parties stumble over the new and unique things, but they do so with a view that they are going to come to an agreement. They are positive about reaching an outcome that is going to keep both happy.</p> <p>Each organisation only does its job and nothing more. They stick to the strict roles and responsibilities. There is a discussion about any new roles that are outside the norm. There is a conceptual understanding of the business goals of the other party.</p>	<p>looking at it. The relationship is not under pressure and there is a genuine interest in working together. The parties have combined goals within the business bounds and each organisation has an understanding of the other. It is a symbiotic relationship where both parties realise that without the other they are somewhat diminished and they take that attitude into all aspects of their business relationship. Work well together with everyone understanding the other party's requirements, e.g. political issues and profit. There is respect (ingrained cultural respect, and not just respect due to the contract) plus the organisations work well together. Both organisations are frank about the motivations and goals of the organisations and individuals. The parties have aligned business goals and a close business fit (not forced).</p> <p>The parties act as a collective service provider to the businesses units. Co-labour on each other's work. Detailed focus across the organisations on value adding to</p>

Construct Group	Construct	Collaborative outcomes			
		Dissociated benefits	Low mutual benefits	Medium mutual benefits	High mutual benefits
					the heartland business goals of both organisations. Business goals may even be shared.
	Interpersonal relationships.	Contemptuous attitude, views the other people as being inferior (off the street, unprofessional) and not worthy of working with. Have disparate/opposite views. Try to gouge the most out of the relationship. Superior/inferior or us/them mentality.	Master/servant relationship or at best grudging acceptance only. Could be tolerated (a neat and friendly scenario) and given a basic role. People take ownership of incidents only in their own domain and have a limited day-to-day focus.	People have a working understanding of what is required and provide innovation and engagement. The individuals understand the multiple and separate goals of both organisations and seek to accommodate them. There is an understanding by all people in the organisation why they are there and their roles in working together. Empathy (understanding) for each other's objectives. There is the first signs of (freely provided) value add for the other party. There is also tolerance of the other party and they are able to achieve a negotiated outcome on all issues. People display a professional, well-dressed, well-mannered and business like demeanour.	Acknowledged equal stakeholders of the business outcomes of both parties. The underlying attitude is that the success of one is the success of both is. The people understand the benefits of combined goals (2 plus 2 equals 5) and teaming. Note: A characteristic above this level, such as an integrated team approach, is probably not possible within the public-private environment.
	Governance (Coordination, synchronisation, and common processes.)	No processes and procedures in place, or poor processes and documentation and untimely delivery. Resourcing is inadequate in: continuity, suitability, and quantity. The result is a	Some processes and procedures may be in place, or they may be in place but not implemented or kept up to date through periodic review. Standard paperwork with basic processes that are not customised to suit	Processes, procedures and intercompany transactions in place and implemented, with an understanding that none of them will be perfect at all times and hence ongoing attention is necessary (practical view). Still no	Process and procedures in place and implemented, and reviewed on an annual basis. Value-add achieved through gained efficiencies, confidence, and integrated methods. There is a pool of

Construct Group	Construct	Collaborative outcomes			
		Dissociated benefits	Low mutual benefits	Medium mutual benefits	High mutual benefits
		<p>significant loss in business productivity and confidence in the organisational relationship. Short term absenteeism has a serious and adverse outcome for the business of the organisations due to the lack of skilled replacement personnel.</p> <p>Bureaucratic to the nth degree which prohibits progression in a timely fashion. Inflexibility because they are process bound. Can't progress to the next stage until they have completed the current stage ... ponderous processes.</p>	<p>the relationship.</p> <p>Resourcing routinely causes business difficulty either through non coverage or coverage by inappropriately skilled personnel. There is the occasional significant problem with resources that is critical to operational performance.</p> <p>In-place processes are interpreted in a manner and that allows some flexibility but only in minor, low value and low risk situations.</p>	<p>value-add as would be obtained from full integration.</p> <p>There are occasional problems with (key) resources that result in a minor blip in operational performance. In general though, there is proactive action to replace resources and in most cases they are suitable for the role.</p> <p>There is an attempt to introduce appropriate flexibility in the in-place processes, but the lack of delegated authority hampers its effectiveness.</p>	<p>appropriately skilled people who can step straight in without any adverse impact on the business when unexpected absences occur. Experienced and technically proficient replacement resources.</p> <p>Flexible process which honours the correct level of probity and governance requirements of both organisations, but flexible enough to suit the appropriate circumstance.</p>
	Leadership (drive and facilitate the relationship and manage risk).	<p>Separate decision-making and announcements even though there are impacts on the other party. There may be recognition that it impacts on the other party, but there is little concern for this. This may lead to totally inappropriate (wrong) decisions being made in some cases. Leadership focus is on cost rather than furthering the business outcome. No innovation leadership and no forward thinking. Directionless, no clear direction or directives. No one is taking a leadership role.</p>	<p>Management meddles (hampers) with a good working relationship (existing synergy). Some decisions are discussed, but only where there is an obvious benefit to one party. No added benefit provided by leadership. Managers do not have 'leadership' skills and are therefore not able to inspire individuals or the cross-organisational issues. Management may not want to take a leadership role. Innovation is provided without the business context. It could be new whiz bang</p>	<p>Management is able to recognise that things are going well and just leave it alone (hands off on a working system). Management recognises the need to progress decisions having a material impact. Material not just in dollar terms, it could be a subjective impact on the other party. Management discussions could be further encouraged by the leaders by sitting together. Innovation is used for business improvement only. It does not achieve the higher benefits of transformational innovation.</p>	<p>Genuine leadership that understands the motivators in the organisations and people, and adds to the synergy of the working relationship. Leadership motivates individuals to take responsibility for their outcomes. Decisions are discussed and agreed between the stakeholders prior to being announced. Business transformation through innovation. United leadership teams both within each organisation and between the organisations. Regular and open meetings. There is</p>

Construct Group	Construct	Collaborative outcomes			
		Dissociated benefits	Low mutual benefits	Medium mutual benefits	High mutual benefits
			technology that does not have the appropriate business links. Too many chiefs and direction is disjointed, creating inefficiency and frustration.	United leadership teams but only within each organisation. Can't get the organisations to adopt a joint leadership approach.	a shared understanding of, and willingness to implement the visions of both organisations. Supported through open communications and meetings.
Atmosphere	Type of relationship.	Commodity relationship doing transaction business. Lack of agility or seen as being bureaucratic. No significance to the other organisation as they do not understand the business of the other party and as a result do not have the background to be able to add business value. There may be explicit ignorance and not interested in understanding the other's goals and strategies. Both parties work on their own goals separately. The organisations don't get what they had paid for and face damages or costs that they had not anticipated.	Repeat relationships, but still commodity supplier, looking for best price. Understand the business of the other but do not act on adding business value. The organisations don't get what they had paid for but omissions are either quickly corrected through reasonable discussion, or the omissions were not critical. The omissions had to be chased. The organisations feel as though they are being experimented on due to untargeted and inexperienced projects brought forward.	Some understanding of the other's goals and strategies and both parties work towards achieving them. May only bring forward opportunities that don't hit the mark. This has the effect of wasting time. The organisations recognise their differences and work through them. The organisations got what they paid for ... but only what they paid for! Value of the relationship was limited to traits such as 'reliability' and 'dependability'. Some engagement to exposed business requirements.	Understand the business of the partner organisation and bring forward opportunities that add business value. Agile organisations, adjust services to new and changing requirements. Win-win for both organisations with unasked for added value. Trusted supplier who assists in business transformation. Assist the other organisation in change through the provision of innovation and technologies. A clear understanding of each other's business goals and strategies. Both organisations believe that the relationship has been a good thing for them in terms of value from a financial perspective. There is the potential for recommendations and further business.
	Integration of cultures and ease of doing business.	Competitive or win/lose environment where there is a feeling of constant attack. Them and us, combative, or siege mentality. Mutual mistrust	There is grudging acceptance of the part played by both organisations with neither organisation attempting to achieve a better outcome.	The relationship is relatively open, transparent and communicative but still fundamentally insular. The culture is aligned due to the shared	The organisations are integrated and seamless. There is openness in communication with a no-blame or no-fault approach where both parties are

Construct Group	Construct	Collaborative outcomes			
		Dissociated benefits	Low mutual benefits	Medium mutual benefits	High mutual benefits
		and questioning of the motives of the other organisation. Highly volatile where the people and the organisations feel that they are under pressure. Organisations deal with the situation in a non-expecting and negative manner.	Cautious and secretive. Only work well on some things and this is dependent on personalities.	visions of the organisations. Steady-state ... things are in control and the organisations believe that they are able to keep it that way, since things are predictable.	able to speak their minds. The organisations recognise the importance of an aligned culture and continually work to improve it. The atmosphere is ego-less and there is a very high degree of respect between the staff at all levels. Each organisation understands the circumstances that they are in, each understand that there are things that are going to be highly variable that occur, surprises occur, but they are dealt with in an expecting and positive manner.
	Trust, reliability and integrity.	No trust. Complete checking on all activities. No implicit trust and suspicious of the motivations of the other party. Result is an environment where everything is checked. A narrow or no relationship. Mistrust. Relationship is characterised by no trust, distrust, or lack of mutual respect. The motives of the other party may also be questioned. The outcome is that there is additional work and rework due to the need to validate most/all information. The parties may also be less inclined to be open and engaged which leads to inefficiency.	Little trust, with no shared risk; primarily a defensive position. Friendly neighbour (cordial) status, over the fence relationship. Some suspicion of motivations, but prepared to work through it. Less than routine level of trust, resulting in that even routine work is checked. Lack of trust. Organisations do not have the full level of confidence in each other. The trust is limited to elements that are less critical to the business. On major projects or mission critical areas, trust is not assumed and comprehensive checking done.	Openness, honesty, and increased risk sharing. General feeling of trust, but not fully exposing the business and not being fully open about what is trying to be achieved. Checking of only the unique or controversial matters (high risk/high focus), routine matters would be taken on trust. Trust has developed to the stage where there is mutual trust when working on major projects. The parties would see that they can generally rely on the work/advice from the other party with a routine level of checking such as spot checking and	Implicit trust and shared risk. Implicit trust with a minimum of checking. Frequency and depth of checking is aligned to meet the business requirements (could be audit or technically based). Open relationship with an ability to discuss any issue without hostility. The relationship is characterised by a high level of trust, and the attitude is ... that seems to be reasonable. There is earned trust between the parties which allows close joint working and achievement. There is (and will always be) a minimal level of checking. There is a very high level of confidence in

Construct Group	Construct	Collaborative outcomes			
		Dissociated benefits	Low mutual benefits	Medium mutual benefits	High mutual benefits
				annual reconciliation. There is general confidence rather than absolute confidence.	what is being provided, and that the organisations are being honest with each other.
Environment					

Collaboration enablers

Where the current performance of the organisational relationship was judged to be lower than the outcome sought, the participants were asked to consider collaboration enablers that may contribute to moving current performance up to the outcome sought.

Table E.4 – Collaboration enablers: Single Sourcing case.

Construct	Collaboration enablers
Business focus and objectives.	<ul style="list-style-type: none"> • Business goals are not understood and hence not met. Gershon fiscal pressures are a part of that. The ICT service provider needs to educate itself on the government and agency business environment. • Lack of knowledge of the products and hence implementation and support is a problem. The ICT service provider needs to educate itself on its own product and services. • There is a feeling of being experimented on, with the introduction of new services. It is apparent that the ICT service provider is not ready for the implementation and the resulting delay creates frustration and reduces trust. The ICT service provider needs to be properly prepared for the introduction of new services. • New services that are introduced as being innovative and not purposeful and do not address the business requirements and objectives of the government agency. The ICT service provider needs to educate itself on the business requirements and objectives of the government agency.
Governance.	<ul style="list-style-type: none"> • Government legislative constraints impact on the ability to move forward with initiatives that would allow the two organisations to work more closely together. At the least, the legislative constraints temper a proactive approach, as the government agency's actions are restrained. The organisations need to jointly explore what is possible and work towards implementing these changes.
Leadership	<ul style="list-style-type: none"> • Focus of decision making needs to be client-centric and leaders need to be fully informed prior to making decisions. Decisions need to be announced internally (i.e. properly managed with own staff) prior to any external announcement. • There is no emphasis on the distinction between management and leadership. Senior management is seen as focussing on the management of day-to-day transactions (mainly cost) and not on true leadership of the relationship. Senior managers need to be educated on how to provide leadership that furthers the business outcomes of both organisations.

Construct	Collaboration enablers
	<ul style="list-style-type: none"> • Leadership of people who are managing technical issues and where solutions to complex issues is not straight forward ... these people have different motivators. Senior managers need to understand the environment and provide appropriate leadership, which may mean doing nothing and just keeping out of the way! • A characteristic of leadership is that we make our decisions separately and then just announce them to the other organisation, even though the other organisation is impacted by the decisions. The issue is not about whether the decision is right or wrong, but about not recognising the impact on the other party. Leaders need to understand the joint working environment and involve the other organisation in the decision-making process.
Trust, reliability and integrity	<ul style="list-style-type: none"> • Trust needs to be developed by building on confidence through meeting commitments, better understanding of the products and services being sold and delivered, and understanding business objectives. • There is a feeling of being experimented on, with the introduction of new services. It is apparent that the ICT service provider is not ready for the implementation and the resulting delay creates frustration and reduces trust. The ICT service provider needs to be properly prepared for the introduction of new services.

Appendix F – Interview and analysis data:

Multi-Sourcing case study

The data in the tables contained in this Appendix is provided in its ‘raw’ form, and as developed within the interviews. By doing this, the researcher has as far as possible, tried to retain the richness of the participant’s views.

Table F.1 – Developed Model: ICT Service Provider.

Construct group	Construct	Collaborative outcomes			
		Dissociated benefits	Low mutual benefits	Medium mutual benefits	High mutual benefits
Interaction Process					
Parties	Business focus and objectives. [Organisational Maturity.] [Culture.]	The organisation has no central view, focus, or command of their business requirements or goals. The organisation will be fragmented with no-one understanding the goals across the organisation. It will be hard to know who to speak to, who makes decisions, understand the organisation and find a match point. It will be difficult to determine what the other organisation finds important and meaningful. The organisation is just a group of individuals because they don't know what to represent so they represent themselves. They may regard all external	The organisation does not have any imbued cultural pride or value proposition but there are individuals within the organisation who want to have those traits. The leadership is not able to make that happen for the individuals. The organisation just hasn't got it ... lacking a captain of the ship. At this level the organisation may be starting to lift out of the transactional level and add value and have a mature outlook (not fragmented) on smaller projects. Seek assistance and encourage staff to look around for information and efficiencies outside the organisation. Not at the level of	The organisation has reached a level of maturity where under strong leadership it is getting its act together and introducing value-add in some of the major projects. However the ‘captain’ still does not have the whole organisation behind them. May also be impacted through having stewardship rather than leadership. Requires chief executives to be carefully selected if there is to be a move to the highest stage of organisational maturity. Implementing improvements from outside and vision on what their challenges are and where they are going. There are still risks here because vision is	The organisation is fully ‘self aware’ in a sense that any person representing the culture, creed, and personality of the organisation would not differ from anyone else who was in a similar situation. They would represent it proudly and loudly and also promote each other in the organisation. The right people are in place to manage and lead, and are seen to be the right people by the rest of the organisation. There would be a coordinated, well considered, consistent view of business goals and governance structure in and between the organisations to implement this. Delegated authority (formally

Construct group	Construct	Collaborative outcomes			
		Dissociated benefits	Low mutual benefits	Medium mutual benefits	High mutual benefits
		relationships as commodity or transactional driven ... just give us the cheapest price and walk away. Insular and an arms-length relationship. This is outside the normal bounds of probity. Drive everything to a commodity acquisition statement. 'Build it yourself' culture, proud of that, and a hero mechanism where when something goes wrong, people put in a heroic effort to fix it up ... rather than avoiding the pitfalls in the first place.	actually seeking assistance.	singular and not shared between the organisations, and process is still 'king'.	or informally) is in place. The organisations are open and work closely together. They come forward with suggestions and seek to be inclusive. There is a consistent vision across and between the organisations; and it is effectively communicated, and well developed. Each organisation can articulate their vision and the vision of the other organisation.
	Interpersonal relationships. [People willingness and attitude.]	Closed mind to anything new, devoted/wedded to standard processes. Destructive approach to the relationship. A combative nature, win/lose mentality.	Ambivalent. Nice people, willing to have a chat but they are not 'doers'. The people are not destructive, but they are also not supportive or proactive.	Headed in the right direction, they know what they want to get, but lack the skills and the political connections to make it happen within the timeframe. The people are informed and accept the business relationship but not proactive. They do not act on it or promote it.	The attitude of the people engenders a good relationship. There is a well-informed and committed attitude to achieve the business goals of both organisations. There is a willingness to engage and go beyond the standard structure. Thinks outside the box. Open to new ideas and alternate ways of doing things that are proposed by either side.
	Governance (Coordination, synchronisation, and common processes.) [Alignment of organisational	Both parties are organisationally immature. Neither is able to take a leadership position.	Wide disparity between the organisational maturity of the organisations. There is a gulf of uncertainty.	Disparity between the organisational maturity is not large but there still remains an amount of uncertainty which stops the	The maturity of the organisations is either similar or one is slightly more advanced (but it needs to be sufficiently mature to lead the two

Construct group	Construct	Collaborative outcomes			
		Dissociated benefits	Low mutual benefits	Medium mutual benefits	High mutual benefits
	maturity.]			organisations working well together.	organisations forward).
	Leadership (drive and facilitate the relationship and manage risk). [Leadership.]	Leaders are characterised as being 'dumped into the job', with no vision, no incentive, no ability and no knowledge. They are not interested in doing a good job. The outcome is a mismatch in expectations, loss of efficiency and churn of effort and churn of people. There is unnecessary rework or failed projects. There are likely to be elongated decision-cycles which is almost a tactic that is used to support and maintain the inertia of the organisation.	The executives are either only going through the motions to keep the business turning over, or are keen but lack the requisite skills to get buy-in or adherence by lower levels of management. The executives may be clear and concise about decisions but there are areas within the organisation that either don't understand or don't adhere.	The executives are clear and there are pockets of management that are clear and drive things through ... but not all management are in sync. The executives display better character traits, but are still junior in the overall executive scale and lack the 'political' connections. They have not been there long enough to get the authority and respect. They may have enthusiasm and drive ... but are just 'young'. There are pockets of support without it being consistent across the organisations. Collaboration can work at this level because there are strong change agents within the organisation.	Individual leaders playing mutually reinforcing roles. Leaders at all levels from both organisations show clarity, drive, decisiveness, and consistency. Starts at the top (the owner of the relationship) and flows down to leaders at all levels of the organisation. Organisations are energised by the drive and focus of the executives. They will be persuasive rather than having a command structure focus. The executives will be mutually reinforcing and singing from the same song sheet both within and between the organisations. They are prepared to go outside their comfort zone. They will have good management skills, strong grounding in IT, be well connected politically and a vision on where they want to get to. Problem here is that they may not stay long because they are good!
	Quality, and skills of people (includes knowledge of product/service). [Personal Value.]	No value and don't bring things of substance to the table. Don't develop ideas or understand where either organisation is trying to get to. No vision or path	There is the perception that one organisation is getting more value than the other. One organisation may feel that they are not getting the value that they	Value is created by the people and there is an agreed definition and quantification on value. However there is not an agreed distribution of value between	People in both organisations are able to create and share value between the organisations. They understand what it is, the value for both

Construct group	Construct	Collaborative outcomes			
		Dissociated benefits	Low mutual benefits	Medium mutual benefits	High mutual benefits
		forward.	perceive that they need. Value may be valued differently between the organisation and hence the imbalance.	the organisations. The organisations know what the value is, how to measure it, but not how to divide it up. They may also have different views of what the value means to each organisation.	organisations, how to measure it and divide it appropriately between the organisations.
Atmosphere	Type of relationship. [Personal Relationships.]	New relationship. Storming, forming, conforming, almost adversarial. Can't give too much because you don't know what is going to happen with the information.	Developing relationship. Starting to be more open and trusting. However there are pitfalls and as you start to understand the relationship you understand how they deal with the information, what they are saying and what they mean.	Developed relationship. Trust is still developing but there is openness and candour. There is the occasional mistake where one person will cross over the personal line. The difference between this level and a mature relationship is the trust.	Mature relationship. There is an established and trusted relationship where information and respect flow both ways. More information would be provided at this level than the lower levels, and this would be reciprocated. Both organisations are able to talk frankly understanding that the advice will be not taken personally.
	Integration of cultures and ease of doing business. [Teaming.] [Business Agility.]	The people have a closed attitude which then influences the team outcome. People let process dictate the outcome, or have a pre-determined outcome which they drive. The attitude (displayed performance) could be forced on them by managers, ministers ... external party. The organisation is bureaucratic, it puts up lots of hurdles, is resistant to change, and hides behind processes and as an environment of passive resistance.	Individuals are trying to achieve but don't have the trust or the blessing of the team/organisation. They are willing participants but are not supported by the organisation and hence they have limited capability as to what they can achieve. There are piecemeal pockets of transformation within the organisation starting to occur. Agility may be being impacted by lack of executive focus and interest, or resistance to change by the people themselves. The private sector	There is no balance within or between the teams. One team may have an open mind and other does not, or one team is strong and the other is not. The result is that one side is driven to an outcome that they don't want. Might get to an outcome here but it is not going to be favourable to both organisations. There are the beginnings of understanding the impact of change on the business whilst trying to implement technology transformation. This leads to real	Both teams are balanced. Open mind, flexible in the process. Willing to listen and discuss. Active participant in knowing what they want and are proactive about achieving it. There is the organisational support and someone who is prepared to drive the outcome. Need to have a balanced outcome to be able to create this collaborative outcome. The organisation is highly agile and able to refocus on changing business requirements without impacting on the

Construct group	Construct	Collaborative outcomes			
		Dissociated benefits	Low mutual benefits	Medium mutual benefits	High mutual benefits
			is more likely to accept radical change and get on with it.	and substantial areas of change ... no window dressing. There is the beginnings of real business value for the organisations ... positive outcomes.	effectiveness of its core business.
	Trust, reliability and integrity. [Trust.] [Risk.]	No trust and hence no enduring relationship. Inefficient relationship that requires lots of checking and oversight. No understanding of risk, not considered, and not even evaluated by either side on what the risk is, or how it is going to be measured and treated.	A developing relationship with the early levels of trust. Outcomes are starting to be delivered and trust is becoming apparent. Oversight, checking and validation might be scaled back to major and high risk items. This the bottom level of trust for an enduring relationship. Below this level of trust they will not be listened to. An understanding of the risk but a lack of appreciation on who pays.	Trust has developed to a reasonable level however it is still able to be influenced by incoming individuals who bring with them poor experiences. More inherent trust with minimal checking. A clear definition of risk but there is no agreement on which organisation is going to manage the risk and who is going to pay for the management of the risk.	There is rapport and complete trust between the organisations. There are stable teams in both organisations who have developed trust over time. There will also be an underlying level of personal trust. Take recommendations on a level of trust. New people coming into the organisation take on the existing atmosphere of trust. The level of trust is unchallengeable and not affected by incoming individuals who bring with them bad experiences from other organisations. There is a clear appreciation by both organisations on what the risk is and how it can be shared by both organisations. If shared it could be that the vendor owns all the risk ... that is still shared. This could be because both parties understand the risk and they have agreed how to account for it. One party may own the risk (and pay for it) but have the other

Construct group	Construct	Collaborative outcomes			
		Dissociated benefits	Low mutual benefits	Medium mutual benefits	High mutual benefits
					organisation to deliver against it.
Environment					

Table F.2 - Interview themes: Multi-Sourcing case.

Themes (NVivo® Nodes)	Number of interviews where the theme was cited			Total number of citations		
	Government agency	ICT service provider	Total	Government agency	ICT service provider	Total
Organisation (Inefficiency)	0	1	1	0	1	1
Organisation Complexity	0	1	1	0	1	1
Interaction (Frequency)	1	0	1	1	0	1
Relationship (shareholder)	1	0	1	1	0	1
Strength of decision making	1	0	1	1	0	1
People (Not motivated)	0	1	1	0	5	5
Governance (delegation)	1	1	2	1	1	2
Relationship (competitive or combative)	1	1	2	1	1	2
Organisational diversity (knowledge of services)	1	1	2	2	1	3
Relationship (business objectives)	1	1	2	2	1	3
Collaboration (commitment)	2	0	2	3	0	3
People (procurement skills)	2	0	2	3	0	3
People (tenure and handover for stability)	2	0	2	3	0	3
Governance (Executive Drive)	0	2	2	0	4	4
Business Competence	2	0	2	4	0	4
Relationship (Balanced Teams)	0	2	2	0	7	7
Relationship (develops over time)	1	2	3	1	4	5
Technology	3	0	3	5	0	5
Relationship (Cultural Alignment)	0	3	3	0	6	6
Relationship (Business Agility)	0	3	3	0	8	8
Relationship (accountability)	3	0	3	9	0	9
People (Background expertise)	1	2	3	6	4	10
Organisational Maturity	0	3	3	0	12	12
Relationship (Business Alignment)	2	2	4	5	3	8
Reason for the Relationship	3	1	4	7	1	8
Strategic Planning	2	2	4	7	2	9
Risk Aversion	3	1	4	8	4	12
Commercial (understanding by public)	4	0	4	13	0	13

Themes (NVivo® Nodes)	Number of interviews where the theme was cited			Total number of citations		
	Government agency	ICT service provider	Total	Government agency	ICT service provider	Total
sector)						
Governance (consultation)	3	2	5	4	2	6
Communication	1	4	5	1	8	9
Information Sharing	3	2	5	7	2	9
Governance (Processes)	3	2	5	18	2	20
Relationship (commodity based)	3	2	5	17	3	20
Organisation structure	3	3	6	4	3	7
Lost Opportunities	3	3	6	4	4	8
People (Attitude)	2	4	6	5	7	12
Organisational Compatibility	3	3	6	12	3	15
People (Motivation)	4	2	6	13	5	18
Commercial	5	1	6	20	1	21
Atmosphere (Political)	5	1	6	22	1	23
Trust and confidence	2	5	7	2	15	17
Collaboration (benefits)	5	2	7	14	3	17
Sourcing Strategy	5	2	7	20	2	22
People (personal relationships)	4	4	8	6	12	18
Organisational Culture	5	3	8	10	11	21
Relationship (value based)	4	4	8	11	17	28
Governance (risk management)	5	3	8	16	15	31
People (skills & understanding)	5	3	8	31	6	37
Public Sector (Services)	4			36	7	43
Environment		4	8			
Governance (leadership)	4	6	10	5	26	31
People (influence on outcomes)	5	6	11	10	22	32

Table F.3 – Emerged Model: Multi-Sourcing case.

Construct Group	Construct	Collaborative outcomes			
		Dissociated benefits	Low mutual benefits	Medium mutual benefits	High mutual benefits
Interaction Process					
Parties	Business focus and objectives.	The organisation has no central view, focus, or command of their business requirements or goals. The organisation will be fragmented with no-one understanding the goals across the organisation. It will be hard to know who to speak to, who makes decisions, understand the organisation and find	The organisation does not have any imbued cultural pride or value proposition but there are individuals within the organisation who want to have those traits. The leadership is not able to make that happen for the individuals. The organisation just hasn't got it ... lacking a captain of the ship. At this level the	The organisation has reached a level of maturity where under strong leadership it is getting its act together and introducing value-add in some of the major projects. However the 'captain' still does not have the whole organisation behind them. May also be impacted through having stewardship rather than	The organisation is fully 'self aware' in a sense that any person representing the culture, creed, and personality of the organisation would not differ from anyone else who was in a similar situation. They would represent it proudly and loudly and also promote each other in the organisation. The right people are in

Construct Group	Construct	Collaborative outcomes			
		Dissociated benefits	Low mutual benefits	Medium mutual benefits	High mutual benefits
		<p>a match point. It will be difficult to determine what the other organisation finds important and meaningful. The organisation is just a group of individuals because they don't know what to represent so they represent themselves. They may regard all external relationships as commodity or transactional driven ... just give us the cheapest price and walk away.</p> <p>Insular and an arms-length relationship. This is outside the normal bounds of probity. Drive everything to a commodity acquisition statement. 'Build it yourself' culture, proud of that, and a hero mechanism where when something goes wrong, people put in a heroic effort to fix it up ... rather than avoiding the pitfalls in the first place.</p> <p>No reason for the relationship. The parties are there for their own goals exclusively and haven't taken the time to understand or assimilate. Commodity or transactional agreement. No reason to expend on the team to extend the relationship. Restrictive to the extent that no one can function. Both organisations are 'in their corners' and can't progress.</p>	<p>organisation may be starting to lift out of the transactional level and add value and have a mature outlook (not fragmented) on smaller projects.</p> <p>Seek assistance and encourage staff to look around for information and efficiencies outside the organisation. Not at the level of actually seeking assistance.</p> <p>Minor alignment with a few vendors that just 'happened' rather than have been actively selected for business benefit. Some fit, but it is contrived and tends to fall down fairly quickly. The parties make a start at understanding the other's requirements, but this quickly falls away.</p>	<p>leadership. Requires chief executives to be carefully selected if there is to be a move to the highest stage of organisational maturity.</p> <p>Implementing improvements from outside and vision on what their challenges are and where they are going. There are still risks here because vision is singular and not shared between the organisations, and process is still 'king'.</p> <p>There is some confidence in the other party and bringing them into that closeness, but still a level of separation particularly on business critical issues. Some flexibility around major complex deals with the occasional apathy that needs to be chased. Any developed strategic agreements may be impacted (made less effective) initiatives/requirements of third parties by (e.g. AGIMO or parent companies).</p> <p>This level may be the realistic compromise that occurs due to budgetary constraints. May not have funds for 'investment potential' and hence have to rely on BAU funding.</p>	<p>place to manage and lead, and are seen to be the right people by the rest of the organisation. There would be a coordinated, well considered, consistent view of business goals and governance structure in and between the organisations to implement this. Delegated authority (formally or informally) is in place.</p> <p>The organisations are open and work closely together. They come forward with suggestions and seek to be inclusive. There is a consistent vision across and between the organisations; and it is effectively communicated, and well developed. Each organisation can articulate their vision and the vision of the other organisation.</p> <p>The parties act as though they are vertically integrated ... can't tell the difference between the organisations. Both feel that they could not do without the other. Both parties invest in the relationship, potentially after going through a process of identifying the other party. There is transparency and flexibility to meet organisational goals within an appropriate environment (Legislative and Procurement for Government and commercial framework for the private sector). Controls are in place to ensure ongoing benefit.</p>
	Interpersonal relationships.	Closed mind to anything new, devoted/wedded to standard processes.	Ambivalent. Nice people, willing to have a chat but they are not 'doers'. The	Headed in the right direction, they know what they want to get, but lack the skills and	The attitude of the people engenders a good relationship. There is a well-

Construct Group	Construct	Collaborative outcomes			
		Dissociated benefits	Low mutual benefits	Medium mutual benefits	High mutual benefits
		<p>Destructive approach to the relationship. A combative nature, win/lose mentality.</p> <p>Individuals are hostile to their opposite number. They are difficult to deal with, perhaps even adversarial. May have a poor level of experience or background. Misconstrue the truth and gouge where able. Try to mislead and 'have on' the other party.</p>	<p>people are not destructive, but they are also not supportive or proactive.</p> <p>The people want to perform well, but they are impacted by their past outsourcing experiences, or have limited background expertise. Start out wanting to do the right thing, but goes backwards from there. Lack of business acumen. People hide behind the processes because they don't have confidence in themselves.</p>	<p>the political connections to make it happen within the timeframe. The people are informed and accept the business relationship but not proactive. They do not act on it or promote it.</p> <p>Some of the people on both sides have the knowledge and skills, but this is limited. Others may have appropriate qualifications but still gaining the knowledge and experience. Impact is lessened where the staff that face the other organisation have the skills.</p>	<p>informed and committed attitude to achieve the business goals of both organisations. There is a willingness to engage and go beyond the standard structure. Thinks outside the box. Open to new ideas and alternate ways of doing things that are proposed by either side.</p> <p>The relationship is characterised by having 'grey-haired', mature staff with a wide range of expertise. They know what to expect and how to manage the situation to ensure that they can get what they want out of it. There is a very broad range of people that have a broad and appropriate level of skills and knowledge.</p>
	<p>Governance (Coordination, synchronisation, and common processes.)</p>	<p>Both parties are organisationally immature. Neither is able to take a leadership position.</p> <p>No decision making governance on how to proceed or who to engage. No framework..</p> <p>No processes and procedures which impact on the efficiencies. Where there are processes, they are not consist across the organisation or between the organisations.</p>	<p>Wide disparity between the organisational maturity of the organisations. There is a gulf of uncertainty.</p> <p>The governance (processes) is laborious, or inappropriate and time consuming ... but at least there is a governance process in place!</p> <p>Some processes and procedures are in place. Constant change (finessing) in processes and procedures which becomes an irritant and time consuming for little benefit.</p>	<p>Disparity between the organisational maturity is not large but there still remains an amount of uncertainty which stops the organisations working well together.</p> <p>A range of procurement options are in place but they are impacted by the rate of change in technology.</p> <p>[* This appears to be reality in the ICT area.]</p> <p>Processes and procedures are there but not reviewed. Balance achieved between stability and review (and change if necessary) to ensure currency.</p> <p>Qualification about whether the reviews can fit within budgetary constraints.</p>	<p>The maturity of the organisations is either similar or one is slightly more advanced (but it needs to be sufficiently mature to lead the two organisations forward).</p> <p>Range of procurement options that can be selected to suit the particular requirement. It is important to have the ability to make the choices.</p> <p>Integrated processes and procedures that are reviewed regularly. Complete alignment of process execution and timeliness, plus ongoing review to ensure processes meet business goals.</p>
	<p>Leadership (drive and facilitate the</p>	<p>Leaders are characterised as being</p>	<p>The executives are either only going</p>	<p>The executives are clear and there are</p>	<p>Leaders at all levels from both</p>

Construct Group	Construct	Collaborative outcomes			
		Dissociated benefits	Low mutual benefits	Medium mutual benefits	High mutual benefits
	relationship and manage risk).	'dumped into the job', with no vision, no incentive, no ability and no knowledge. They are not interested in doing a good job. The outcome is a mismatch in expectations, loss of efficiency and churn of effort and churn of people. There is unnecessary rework or failed projects. There are likely to be elongated decision-cycles which is almost a tactic that is used to support and maintain the inertia of the organisation.	through the motions to keep the business turning over, or are keen but lack the requisite skills to get buy-in or adherence by lower levels of management. The executives may be clear and concise about decisions but there are areas within the organisation that either don't understand or don't adhere.	pockets of management that are clear and drive things through ... but not all management are in sync. The executives display better character traits, but are still junior in the overall executive scale and lack the 'political' connections. They have not been there long enough to get the authority and respect. They may have enthusiasm and drive ... but are just 'young'. There are pockets of support without it being consistent across the organisations. Collaboration can work at this level because there are strong change agents within the organisation.	organisations show clarity, drive, decisiveness, and consistency. Starts at the top (the owner of the relationship) and flows down to leaders at all levels of the organisation. Organisations are energised by the drive and focus of the executives. They will be persuasive rather than having a command structure focus. The executives will be mutually reinforcing and singing from the same song sheet both within and between the organisations. They are prepared to go outside their comfort zone. They will have good management skills, strong grounding in IT, be well connected politically and a vision on where they want to get to. Problem here is that they may not stay long because they are good!
Atmosphere	Type of relationship.	New relationship. Storming, forming, conforming, almost adversarial. Can't give too much because you don't know what is going to happen with the information. The deal might be motivated or influenced by a third party (political or parent company). Lose/lose ... perhaps the Government (political win).	Developing relationship. Starting to be more open and trusting. However there are pitfalls and as you start to understand the relationship you understand how they deal with the information, what they are saying and what they mean. Not much in it for anyone. Lose/win	Developed relationship. Trust is still developing but there is openness and candour. There is the occasional mistake where one person will cross over the personal line. The difference between this level and a mature relationship is the trust. Overall outcome could be balanced (some good and some bad for everyone), or the political outcome might be OK, with something less in it for the agencies and the private sector. Win/lose	Mature relationship. There is an established and trusted relationship where information and respect flow both ways. More information would be provided at this level than the lower levels, and this would be reciprocated. Both organisations are able to talk frankly understanding that the advice will be not taken personally. Good business outcome that suits all. Win/Win (meaning public and private sectors)
	Integration of cultures and ease of doing business.	The people have a closed attitude which then influences the team outcome. People let process	Individuals are trying to achieve but don't have the trust or the blessing of the team/organisation.	There is no balance within or between the teams. One team may have an open mind and other does	Both teams are balanced. Open mind, flexible in the process. Willing to listen and discuss.

Construct Group	Construct	Collaborative outcomes			
		Dissociated benefits	Low mutual benefits	Medium mutual benefits	High mutual benefits
		<p>dictate the outcome, or have a predetermined outcome which they drive. The attitude (Kumar and van Dissel, layed performance) could be forced on them by managers, ministers ... external party.</p> <p>The organisation is bureaucratic, it puts up lots of hurdles, is resistant to change, and hides behind processes and as an environment of passive resistance.</p> <p>There is a corporate agenda that is opposite to that of the business partner. Each party pushes their own agenda. No reason to have the relationship and may have been a single transaction.</p>	<p>They are willing participants but are not supported by the organisation and hence they have limited capability as to what they can achieve.</p> <p>There are piecemeal pockets of transformation within the organisation starting to occur. Agility may be being impacted by lack of executive focus and interest, or resistance to change by the people themselves. The private sector is more likely to accept radical change and get on with it.</p> <p>The organisations are ignorant of or have no understanding of the business objectives of the other party. This is not through active intent, merely through lack of interest. No commercial drivers and does not meet procurement or legislative objectives.</p>	<p>not, or one team is strong and the other is not. The result is that one side is driven to an outcome that they don't want. Might get to an outcome here but it is not going to be favourable to both organisations.</p> <p>There are the beginnings of understanding the impact of change on the business whilst trying to implement technology transformation. This leads to real and substantial areas of change ... no window dressing. There is the beginnings of real business value for the organisations ... positive outcomes.</p> <p>Initial offerings look self-serving but upon investigation have some merit to the other party. Problem is that there needs to be some digging as the offerings are not clearly aligned to business objectives. In non-critical areas, might accept something less than optimum objectives. Example may be to accept some risk, cap liability, or allow retention of intellectual property.</p>	<p>Active participant in knowing what they want and are proactive about achieving it. There is the organisational support and someone who is prepared to drive the outcome. Need to have a balanced outcome to be able to create this collaborative outcome.</p> <p>The organisation is highly agile and able to refocus on changing business requirements without impacting on the effectiveness of its core business.</p> <p>The relationship is characterised by a complete understanding and synergy of the business objectives of both parties. Everyone is happy! Objectives are understood by both sides, are met, and there is ongoing focus.</p>
	Trust, reliability and integrity.	<p>No trust and hence no enduring relationship. Inefficient relationship that requires lots of checking and oversight.</p> <p>No understanding of risk, not considered, and not even evaluated by either side on what the risk is, or how it is going to be measured and treated.</p> <p>Some attempt is made in identifying</p>	<p>A developing relationship with the early levels of trust. Outcomes are starting to be delivered and trust is becoming apparent. Oversight, checking and validation might be scaled back to major and high risk items. This the bottom level of trust for an enduring relationship. Below this level of trust they will not be listened to.</p> <p>An understanding of</p>	<p>Trust has developed to a reasonable level however it is still able to be influenced by incoming individuals who bring with them poor experiences. More inherent trust with minimal checking.</p> <p>A clear definition of risk but there is no agreement on which organisation is going to manage the risk and who is going to pay for the management of the risk.</p>	<p>There is rapport and complete trust between the organisations. There are stable teams in both organisations who have developed trust over time. There will also be an underlying level of personal trust. Take recommendations on a level of trust. New people coming into the organisation take on the existing atmosphere of trust. The level of trust is unchallengeable and not affected by</p>

Construct Group	Construct	Collaborative outcomes			
		Dissociated benefits	Low mutual benefits	Medium mutual benefits	High mutual benefits
		and quantifying risk. Little effort though in developing mitigating strategies or allocating the risk to the correct party to manage. Any risk sharing would be in low value/low risk areas only.	the risk but a lack of appreciation on who pays. A real effort is made in identifying, quantifying and developing mitigating strategies for risk. The risk is placed with the supplier and the costs of managing risks would be negotiated.	Risk is fully understood and accepted but there may be underlying differences on how it is accounted for.	incoming individuals who bring with them bad experiences from other organisations. There is a clear appreciation by both organisations on what the risk is and how it can be shared by both organisations. If shared it could be that the vendor owns all the risk ... that is still shared. This could be because both parties understand the risk and they have agreed how to account for it. One party may own the risk (and pay for it) but have the other organisation to deliver against it.
Environment					

Appendix G – Final Model: public-private relationship

Table G.1 – Final Model: including detailed outcome characteristics

Construct	Collaborative outcomes			
	Dissociated benefits	Low mutual benefits	Medium mutual benefits	High mutual benefits
Business focus and objectives.	<p>The organisation has no central view, focus, or command of their business requirements or goals. The organisation will be fragmented with no-one understanding the goals across the organisation. It will be hard to know who to speak to, who makes decisions, understand the organisation and find a match point. It will be difficult to determine what the other organisation finds important and meaningful. The organisation is just a group of individuals because they don't know what to represent so they represent themselves. They may regard all external relationships as commodity or transactional driven ... just give us the cheapest price and walk away. Insular and an arms-length relationship. This is outside the normal bounds of probity. Drive everything to a commodity acquisition statement. 'Build it yourself' culture, proud of that, and a hero mechanism where when something goes wrong, people put in a heroic effort to fix it up ... rather than avoiding the pitfalls in the first place. No reason for the relationship. The parties are there for their own goals exclusively and haven't taken the time to understand or assimilate. Commodity or</p>	<p>The organisation does not have any imbued cultural pride or value proposition but there are individuals within the organisation who want to have those traits. The leadership is not able to make that happen for the individuals. The organisation just hasn't got it ... lacking a captain of the ship. At this level the organisation may be starting to lift out of the transactional level and add value and have a mature outlook (not fragmented) on smaller projects. Seek assistance and encourage staff to look around for information and efficiencies outside the organisation. Not at the level of actually seeking assistance. Minor alignment with a few vendors that just 'happened' rather than have been actively selected for business benefit. Some fit, but it is contrived and tends to fall down fairly quickly. The parties make a start at understanding the other's requirements, but this quickly falls away.</p>	<p>The organisation has reached a level of maturity where under strong leadership it is getting its act together and introducing value-add in some of the major projects. However the 'captain' still does not have the whole organisation behind them. May also be impacted through having stewardship rather than leadership. Requires chief executives to be carefully selected if there is to be a move to the highest stage of organisational maturity. Implementing improvements from outside and vision on what their challenges are and where they are going. There are still risks here because vision is singular and not shared between the organisations, and process is still 'king'. There is some confidence in the other party and bringing them into that closeness, but still a level of separation particularly on business critical issues. Some flexibility around major complex deals with the occasional apathy that needs to be chased. Any developed strategic agreements may be impacted (made less effective) initiatives/requirements of third parties by (e.g. AGIMO or parent companies). This level may be the realistic compromise that occurs due to</p>	<p>The organisation is fully 'self aware' in a sense that any person representing the culture, creed, and personality of the organisation would not differ from anyone else who was in a similar situation. They would represent it proudly and loudly and also promote each other in the organisation. The right people are in place to manage and lead, and are seen to be the right people by the rest of the organisation. There would be a coordinated, well considered, consistent view of business goals and governance structure in and between the organisations to implement this. Delegated authority (formally or informally) is in place. The organisations are open and work closely together. They come forward with suggestions and seek to be inclusive. There is a consistent vision across and between the organisations; and it is effectively communicated, and well developed. Each organisation can articulate their vision and the vision of the other organisation. The parties act as though they are vertically integrated ... can't tell the difference between the organisations. Both feel that they could not do without the other. Both parties invest in the</p>

Construct	Collaborative outcomes			
	Dissociated benefits	Low mutual benefits	Medium mutual benefits	High mutual benefits
	<p>transactional agreement. No reason to expend on the team to extend the relationship.</p> <p>Restrictive to the extent that no one can function. Both organisations are 'in their corners' and can't progress.</p>		<p>budgetary constraints. May not have funds for 'investment potential' and hence have to rely on BAU funding.</p>	<p>relationship, potentially after going through a process of identifying the other party. There is transparency and flexibility to meet organisational goals within an appropriate environment (Legislative and Procurement for Government and commercial framework for the private sector). Controls are in place to ensure ongoing benefit.</p>
Interpersonal relationships.	<p>Closed mind to anything new, devoted/wedded to standard processes. Destructive approach to the relationship. A combative nature, win/lose mentality.</p> <p>Individuals are hostile to their opposite number. They are difficult to deal with, perhaps even adversarial. May have a poor level of experience or background. Misconstrue the truth and gouge where able. Try to mislead and 'have on' the other party.</p>	<p>Ambivalent. Nice people, willing to have a chat but they are not 'doers'. The people are not destructive, but they are also not supportive or proactive. The people want to perform well, but they are impacted by their past outsourcing experiences, or have limited background expertise. Start out wanting to do the right thing, but goes backwards from there. Lack of business acumen. People hide behind the processes because they don't have confidence in themselves.</p>	<p>Headed in the right direction, they know what they want to get, but lack the skills and the political connections to make it happen within the timeframe.</p> <p>The people are informed and accept the business relationship but not proactive. They do not act on it or promote it. Some of the people on both sides have the knowledge and skills, but this is limited. Others may have appropriate qualifications but still gaining the knowledge and experience. Impact is lessened where the staff that face the other organisation have the skills.</p>	<p>The attitude of the people engenders a good relationship. There is a well-informed and committed attitude to achieve the business goals of both organisations. There is a willingness to engage and go beyond the standard structure. Thinks outside the box. Open to new ideas and alternate ways of doing things that are proposed by either side.</p> <p>The relationship is characterised by having 'grey-haired', mature staff with a wide range of expertise. They know what to expect and how to manage the situation to ensure that they can get what they want out of it. There is a very broad range of people that have a broad and appropriate level of skills and knowledge.</p>
Governance (Coordination, synchronisation, and common processes.)	<p>Both parties are organisationally immature. Neither is able to take a leadership position. No decision making governance on how to proceed or who to engage. No framework..</p> <p>No processes and procedures which impact on the efficiencies. Where there are processes, they are not consist across the organisation or between the organisations.</p>	<p>Wide disparity between the organisational maturity of the organisations. There is a gulf of uncertainty. The governance (processes) is laborious, or inappropriate and time consuming ... but at least there is a governance process in place!</p> <p>Some processes and procedures are in place. Constant change (finessing) in processes and procedures which becomes an irritant and time consuming for little benefit.</p>	<p>Disparity between the organisational maturity is not large but there still remains an amount of uncertainty which stops the organisations working well together.</p> <p>A range of procurement options are in place but they are impacted by the rate of change in technology.</p> <p>Processes and procedures are there but not reviewed. Balance achieved between stability and review (and change if necessary) to ensure currency. Qualification about whether the reviews can fit within budgetary constraints.</p>	<p>The maturity of the organisations is either similar or one is slightly more advanced (but it needs to be sufficiently mature to lead the two organisations forward). Range of procurement options that can be selected to suit the particular requirement. It is important to have the ability to make the choices. Integrated processes and procedures that are reviewed regularly. Complete alignment of process execution and timeliness, plus ongoing review to ensure processes meet business goals.</p>
Leadership	Leaders are characterised	The executives are either	The executives are clear	Leaders at all levels from

Construct	Collaborative outcomes			
	Dissociated benefits	Low mutual benefits	Medium mutual benefits	High mutual benefits
(drive and facilitate the relationship and manage risk).	as being 'dumped into the job', with no vision, no incentive, no ability and no knowledge. They are not interested in doing a good job. The outcome is a mismatch in expectations, loss of efficiency and churn of effort and churn of people. There is unnecessary rework or failed projects. There are likely to be elongated decision-cycles which is almost a tactic that is used to support and maintain the inertia of the organisation.	only going through the motions to keep the business turning over, or are keen but lack the requisite skills to get buy-in or adherence by lower levels of management. The executives may be clear and concise about decisions but there are areas within the organisation that either don't understand or don't adhere.	and there are pockets of management that are clear and drive things through ... but not all management are in sync. The executives display better character traits, but are still junior in the overall executive scale and lack the 'political' connections. They have not been there long enough to get the authority and respect. They may have enthusiasm and drive ... but are just 'young'. There are pockets of support without it being consistent across the organisations. Collaboration can work at this level because there are strong change agents within the organisation.	both organisations show clarity, drive, decisiveness, and consistency. Starts at the top (the owner of the relationship) and flows down to leaders at all levels of the organisation. Organisations are energised by the drive and focus of the executives. They will be persuasive rather than having a command structure focus. The executives will be mutually reinforcing and singing from the same song sheet both within and between the organisations. They are prepared to go outside their comfort zone. They will have good management skills, strong grounding in IT, be well connected politically and a vision on where they want to get to. Problem here is that they may not stay long because they are good!
Type of relationship.	New relationship. Storming, forming, conforming, almost adversarial. Can't give too much because you don't know what is going to happen with the information. The deal might be motivated or influenced by a third party (political or parent company). Lose/lose ... perhaps the Government (political win).	Developing relationship. Starting to be more open and trusting. However there are pitfalls and as you start to understand the relationship you understand how they deal with the information, what they are saying and what they mean. Not much in it for anyone. Lose/win	Developed relationship. Trust is still developing but there is openness and candour. There is the occasional mistake where one person will cross over the personal line. The difference between this level and a mature relationship is the trust. Overall outcome could be balanced (some good and some bad for everyone), or the political outcome might be OK, with something less in it for the agencies and the private sector. Win/lose	Mature relationship. There is an established and trusted relationship where information and respect flow both ways. More information would be provided at this level than the lower levels, and this would be reciprocated. Both organisations are able to talk frankly understanding that the advice will be not taken personally. Good business outcome that suits all. Win/Win (meaning public and private sectors)
Integration of cultures and ease of doing business	The people have a closed attitude which then influences the team outcome. People let process dictate the outcome, or have a predetermined outcome which they drive. The attitude (displayed performance) could be forced on them by managers, ministers ... external party. The organisation is bureaucratic, it puts up lots of hurdles, is resistant to	Individuals are trying to achieve but don't have the trust or the blessing of the team/organisation. They are willing participants but are not supported by the organisation and hence they have limited capability as to what they can achieve. There are piecemeal pockets of transformation within the organisation starting to occur. Agility may be being impacted by lack of executive focus and	There is no balance within or between the teams. One team may have an open mind and other does not, or one team is strong and the other is not. The result is that one side is driven to an outcome that they don't want. Might get to an outcome here but it is not going to be favourable to both organisations. There are the beginnings of understanding the impact of change on the	Both teams are balanced. Open mind, flexible in the process. Willing to listen and discuss. Active participant in knowing what they want and are proactive about achieving it. There is the organisational support and someone who is prepared to drive the outcome. Need to have a balanced outcome to be able to create this collaborative outcome. The organisation is highly

Construct	Collaborative outcomes			
	Dissociated benefits	Low mutual benefits	Medium mutual benefits	High mutual benefits
	<p>change, and hides behind processes and as an environment of passive resistance.</p> <p>There is a corporate agenda that is opposite to that of the business partner. Each party pushes their own agenda. No reason to have the relationship and may have been a single transaction.</p> <p>Singular points of contact between the organisations. Different cultures with no attempt to bridge the gap.</p>	<p>interest, or resistance to change by the people themselves. The private sector is more likely to accept radical change and get on with it.</p> <p>The organisations are ignorant of or have no understanding of the business objectives of the other party. This is not through active intent, merely through lack of interest. No commercial drivers and does not meet procurement or legislative objectives.</p> <p>Improved interpersonal relationships. Different cultures only within particular parts of the organisation. Some effort to bridge the gap.</p>	<p>business whilst trying to implement technology transformation. This leads to real and substantial areas of change ... no window dressing. There is the beginnings of real business value for the organisations ... positive outcomes.</p> <p>Initial offerings look self-serving but upon investigation have some merit to the other party. Problem is that there needs to be some digging as the offerings are not clearly aligned to business objectives. In non-critical areas, might accept something less than optimum objectives. Example may be to accept some risk, cap liability, or allow retention of intellectual property.</p> <p>Improve processes and reduced duplication. Moderate to high fit in areas that impact. Cultural alignment in the areas that matter.</p>	<p>agile and able to refocus on changing business requirements without impacting on the effectiveness of its core business.</p> <p>The relationship is characterised by a complete understanding and synergy of the business objectives of both parties. Everyone is happy! Objectives are understood by both sides, are met, and there is ongoing focus.</p> <p>Transparent interface. Cultural alignment across the whole organisation. Lots in common. The "let's go out to dinner" mentality and relationships outside the work environment.</p>
Trust, reliability and integrity.	<p>No trust and hence no enduring relationship. Inefficient relationship that requires lots of checking and oversight. No understanding of risk, not considered, and not even evaluated by either side on what the risk is, or how it is going to be measured and treated. Some attempt is made in identifying and quantifying risk. Little effort though in developing mitigating strategies or allocating the risk to the correct party to manage. Any risk sharing would be in low value/low risk areas only.</p>	<p>A developing relationship with the early levels of trust. Outcomes are starting to be delivered and trust is becoming apparent. Oversight, checking and validation might be scaled back to major and high risk items. This the bottom level of trust for an enduring relationship. Below this level of trust they will not be listened to. An understanding of the risk but a lack of appreciation on who pays. A real effort is made in identifying, quantifying and developing mitigating strategies for risk. The risk is placed with the supplier and the costs of managing risks would be negotiated.</p>	<p>Trust has developed to a reasonable level however it is still able to be influenced by incoming individuals who bring with them poor experiences. More inherent trust with minimal checking. A clear definition of risk but there is no agreement on which organisation is going to manage the risk and who is going to pay for the management of the risk. Risk is fully understood and accepted but there may be underlying differences on how it is accounted for.</p>	<p>There is rapport and complete trust between the organisations. There are stable teams in both organisations who have developed trust over time. There will also be an underlying level of personal trust. Take recommendations on a level of trust. New people coming into the organisation take on the existing atmosphere of trust. The level of trust is unchallengeable and not affected by incoming individuals who bring with them bad experiences from other organisations. There is a clear appreciation by both organisations on what the risk is and how it can be shared by both organisations. If shared it could be that the vendor owns all the risk ... that is still shared. This could be because both parties</p>

Construct	Collaborative outcomes			
	Dissociated benefits	Low mutual benefits	Medium mutual benefits	High mutual benefits
				understand the risk and they have agreed how to account for it. One party may own the risk (and pay for it) but have the other organisation to deliver against it.

Appendix H – Letters sent to prospective organisations and interviewees

This Appendix attaches a copy of the letters sent to organisations and interviewees, requesting their involvement in the research.

Project number: University of Canberra 08-21

Mr ???

Chief Executive Officer

Government Agency

Address

Dear ???

COLLABORATION IN COMMONWEALTH ICT OUTSOURCING: ARE WE THERE YET?

The purpose of this letter is to seek #Agency Name#'s involvement and approval for staff to participate in a research project being undertaken by the University of Canberra. The research project is being undertaken by Rowan Macdonald who is a doctoral candidate from the Faculty of Business and Government.

The central theme of the project is regarding collaboration between the public and private sectors. The underlying premise is that interorganisational collaboration is beneficial and has the potential to add value to business relationships. Collaboration might be researched in a wide range of areas but because of its importance as a business enabler, the environment chosen is the Information and Communications Technology (ICT) outsourcing arrangements between Commonwealth agencies and their private sector providers.

The study will analyse existing ICT outsourcing arrangements to see whether there is collaboration, the conditions for its existence, the form it takes, and whether there are external factors that shape the collaboration. Finally, the study will seek to identify guiding principles that might enhance the collaboration and to assess how generally they might be applied.

Most importantly, the project will not be considering or making comment on the business case or performance of the underlying ICT outsourcing arrangement. The research focus is specifically on collaboration which is envisaged as situated "above" but within the ICT outsourcing environment.

For the purpose of this research, collaboration is defined as:

A reciprocal and voluntary arrangement reached between parties through the attainment of certain defining factors such as information sharing, decision synchronisation, common long-term objectives and shared authority.

There are three "cases" in the overall research project, based on three broad types of ICT sourcing identified by the Australian Government Information Management Office (AGIMO). These types are broadly based on the manner in which the ICT services are provided to the government agency and the number of vendors involved. AGIMO's three types of ICT sourcing were:

-
- Self-managed or In-House: ICT is predominantly managed and run by internal resources, possibly including contractors or consultants.
 - Single sourcing: ICT is predominantly run by a single external party.
 - Selective sourcing: ICT is predominantly run by multiple external parties under one or several agreements.

In a separate study, #Agency Name# was identified as typifying a "Selective Sourcing" type.

The project will be conducted in two distinct phases. Through a series of one-on-one interviews, the first phase will establish a "model" for interorganisational relationships within the ICT outsourcing environment and then the second phase will draw-out common themes through a series of focus groups and follow-up one-on-one interviews.

Participants will be selected by "purposive sampling". The categories of participants being sought in both the public sector (case) agency and their private sector partner(s) are:

- the Senior Executive who is directly accountable for the outcome of the ICT outsourcing arrangement;
- the senior Manager who manages the day-to-day operations of the ICT outsourcing arrangement;
- the senior Manager who administers the contractual relationship; and
- two staff that "face" and work with their opposite number on a daily basis.

#Agency Name# and their private sector partner(s) would be asked to nominate participants who match the above purposive sampling job descriptions. A copy of the letter that would then be sent to prospective participants is attached at Attachment 2. Should that person not wish to be involved, they would either be asked to nominate an appropriate alternate, or the researcher would request #Agency Name# for further assistance in an alternate nomination.

This research project has been approved by the Committee for Ethics in Human Research of the University of Canberra and is subject to strict guidelines on privacy, data security and ethical process. Although the research seeks to involve staff holding certain positions within the organisation, participation is voluntary and information provided will not be attributed to individuals. Participants may withdraw their agreement to participate in the research project at any time. In this case they would be thanked for their participation and there would be no mention of their participation or withdrawal.

Personal information will also not be recorded. In order to maintain accuracy, the interviews will be taped and later transcribed verbatim. The researcher is the only person who will have access to the taped interview and the verbatim transcript. At the conclusion of the project, all information will be transferred and stored securely at the University of Canberra.

Information from the interviews will be collated and compiled into a "Case Report" that will be provided to #Agency Name#, their private sector partner(s) and

participants who request it. #Agency Name# and their private sector partner(s) will be provided the same report. The report will not identify interviewees and the agencies will not be provided with copies of the reports from the other case agencies.

Rowan Macdonald is Canberra based and is available should you require a more in-depth brief on the research project. He is contactable on 0434 076 322 or j.macdonald@student.canberra.edu.au.

It is requested that you signify willingness for involvement by #Agency Name# by signing the consent form below (Attachment 1) and returning to myself. The consent form also asks for the name of a contact within the Agency through which participants will be contacted and any administrative details arranged.

I seek your support for this important research project and look forward to hearing from you.

Yours sincerely

Professor John Halligan
Faculty of Business and Government
University of Canberra ACT 2601
Ph: (02) 6201 2725

Attachments:

1. #Agency Name# Consent Form
2. Draft Participant Letter

ATTACHMENT 1 TO
#AGENCY NAME# REQUEST LETTER

Professor John Halligan
Faculty of Business and Government
University of Canberra ACT 2601

Project number: University of Canberra 08-21

COLLABORATION IN COMMONWEALTH ICT OUTSOURCING: ARE WE THERE YET?

#Agency Name# agrees to involvement in the research project by the Canberra University on Collaboration in ICT Outsourcing arrangements and approves the participation by certain members of its staff, subject to their voluntary consent.

Name

Signature

Date

It is requested that Rowan Macdonald contact the following person concerning all aspects of #Agency Name#'s involvement in the research project.

Name

Contact details

.....

ATTACHMENT 2 TO
#AGENCY NAME# REQUEST LETTER

Project number: University of Canberra 08-21

<< Name and Address of Participant >>

COLLABORATION IN COMMONWEALTH ICT OUTSOURCING: ARE WE THERE YET?

Dear <<Participant >>,

The purpose of this letter is to seek your involvement in a research project being undertaken by the University of Canberra. The research project is being undertaken by Rowan Macdonald who is a doctoral candidate from the Faculty of Business and Government of the University of Canberra. #Agency Name#'s involvement in the research has been authorised by <<Name of person authorising #Agency Name#'s involvement >>.

If you are willing to participate, it is requested that you contact Rowan (e-mail or mobile phone) and arrange an interview at a time and location that suits you. You might also return the attached informed consent form or sign it at the interview.

Please note that you may withdraw your agreement to participate in this research project at any time. In this case you would be thanked for your participation to date and there would be no mention of your participation or withdrawal.

The central theme of the project is regarding collaboration between the public and private sectors. The underlying premise is that interorganisational collaboration is beneficial and has the potential to add value to business relationships. Collaboration might be researched in a wide range of areas but because of its importance as a business enabler, the environment chosen is the Information and Communications Technology (ICT) outsourcing arrangements between Commonwealth agencies and their private sector providers.

The study will analyse existing ICT outsourcing arrangements to see whether there is collaboration, the conditions for its existence, the form it takes, and whether there are external factors that enhanced or reduced the collaboration. Finally, the study will seek to identify guiding principles that might enhance the collaboration and to assess how generally they might be applied.

There are three “cases” in the overall research project, based on three broad types of ICT sourcing identified by the Australian Government Information Management Office (AGIMO). These types are broadly based on the manner in which the ICT services are provided to the government agency and the number of vendors involved. AGIMO’s three types of ICT sourcing were:

- Self-managed or In-House: ICT is predominantly managed and run by internal resources, possibly including contractors or consultants.
- Single sourcing: ICT is predominantly run by a single external party.
- Selective sourcing: ICT is predominantly run by multiple external parties under one or several agreements.

In a separate study, #Agency Name# was identified as typifying a "Selective Sourcing" type.

For the purpose of this research, collaboration is defined as:

A reciprocal and voluntary arrangement reached between parties through the attainment of certain defining factors such as information sharing, decision synchronisation, common long-term objectives and shared authority.

Specifically, the project will not be considering or making comment on the business case or the performance of the underlying ICT outsourcing arrangement. The focus is only on collaboration which is seen as sitting “above” but within the outsourcing environment.

The project will be conducted in two distinct phases. Through a series of one-on-one interviews, the first phase will establish an interorganisational model through an understanding of the “constructs” of an ICT outsourcing environment and the characteristics within these constructs. For example, you may feel that a defining construct of two organisations working together in an ICT outsourcing environment is the “atmosphere” of the relationship. You might then believe that the “atmosphere” construct has a number of “characteristics” such as that the two organisations:

- go out of their way to add value to the relationship, or
- work well together on all things, or
- work well together but just on major projects, or
- are cordial, but both partners just do what they have to do, or
- are competitive and try to get as much from the other side that they can.

Finally, we will attempt to position “collaboration” within the model that you have developed, and situate the relationship between #Agency Name# and its ICT outsourcing partner.

After some preliminary analysis of the information from the first phase, the second phase will draw-out common themes through a series of focus groups and follow-up one-on-one interviews. The focus groups sessions will bring together the participants from #Agency Name# and its ICT outsourcing partner in separate sessions.

Individual interviews will run for approximately 45 minutes and the focus groups will run for approximately 1 hour. The location of the interviews will be at a time and place that suits you.

The information that you give to Rowan will be anonymous and personal details will not be recorded. In order to maintain accuracy, the interviews will be taped and later transcribed verbatim. Rowan is the only person who has access to the information provided by you.

Information from the interviews will be collated and compiled into a “Case Report” that will be submitted to #Agency Name#, its ICT outsourcing partners and to participants who request it. #Agency Name# and its ICT outsourcing partner will be provided the same report. To ensure that confidentiality from the interviews is maintained, the report will not identify interviewees and #Agency Name# and its ICT outsourcing partner will not be able to request this type of information.

All information will be stored in locked filing cabinets at the researcher’s home and will be encrypted on the researcher’s private computer. All information will be kept confidential and no personal details will be recorded at any time. At the conclusion of the project, all information will be transferred and stored securely at the University of Canberra.

This research project has been approved by the Committee for Ethics in Human Research of the University of Canberra and is supported by the respective organisations.

There are two attachments to this letter:

- Details for contacts for Information on the Project and Independent Complaints Procedure; and
- An Informed Consent Form.

It is requested that you contact Rowan Macdonald to indicate your willingness or otherwise to participate in the research, and arrange a suitable time and place for the interview. You might also signify your voluntary willingness to participate in the research by signing the informed consent form below and returning to Rowan, or sign this at the interview.

For further questions, queries or concerns about this research project, please contact either:

Rowan Macdonald
Mobile: 0434 076 322
Government

Email: j.macdonald@student.canberra.edu.au University of Canberra

Professor John Halligan
Faculty of Business and
Ph: (02) 6201 2725

Yours sincerely

Rowan Macdonald
Doctoral Candidate
Faculty of Business and Government
University of Canberra ACT 2601

CONTACTS FOR INFORMATION ON THE PROJECT AND INDEPENDENT COMPLAINTS PROCEDURE

The following study has been reviewed and approved by the Committee for Ethics in Human Research:

Project title: **Collaboration in Commonwealth ACT outsourcing: are we there yet?**

Project number: **08-21**

Principal researcher: **Mr Rowan Macdonald**

1. As a participant or potential participant in research, you will have received written information about the research project. If you have questions or problems which are not answered in the information you have been given, you should consult the researcher or (if the researcher is a student) the research supervisor. For this project, the appropriate person is

Name: Professor John Halligan

Contact details: University of Canberra

Phone: (02) 6201 2725

2. If you wish to discuss with an independent person a complaint relating to

- conduct of the project, or
- your rights as a participant, or
- University policy on research involving human participants,

you should contact the **Secretary of the University Research Committee**

Telephone (02) 6201 2466, Room 1D112, Office of Research and Research Degrees,
University of Canberra ACT 2601

Providing research participants with this information is a requirement of the National Health and Medical Research Council *National Statement on Ethical Conduct in Research Involving Humans*, which applies to all research with human participants conducted in Australia. Further information on University of Canberra research policy is available in *University of Canberra Guidelines for Responsible Practice in Research and Dealing with Problems of Research Misconduct* and the Committee for Ethics in Human Research *Human Ethics Manual*. These documents are available from the Research Office at the above address or on the University's web site at

https://guard.canberra.edu.au/policy/policy.php?pol_id=3136 (Research Guidelines)

<http://www.canberra.edu.au/research/ethics/human> (Human Ethics Manual)

Rowan Macdonald
Mobile: 0434 076 322
Email: j.macdonald@student.canberra.edu.au

Project number: University of Canberra 08-21

COLLABORATION IN COMMONWEALTH ICT OUTSOURCING: ARE WE THERE YET?

I have read and understood the information about the research. I am not aware of any condition that would prevent my participation, and I agree to participate in this project. I have had the opportunity to ask questions about my participation in the research. All questions I have asked have been answered to my satisfaction.

Name.....

Signature.....

Date

A summary of the #Agency Name# portion of the research report can be forwarded to you when published. If you would like to receive a copy of the report, please include your mailing (or preferably e-mail) address below.

Name.....

Address.....

.....

E-mail Address.....

Appendix I – Interview questions: individual interviews

This Appendix describes the interview process employed for the individual interviews and lists the generic interview questions used for each individual interview.

Process

1. The researcher introduces himself, and asks whether the interviewee is comfortable and is aware that the interview is being recorded for later verbatim transcription.
2. The researcher provides a short overview of the research project and explains the importance of anonymity, privacy, data security and ethic interviewing technique.
3. The researcher explains that the interviews will be compiled and collated into a Case Report and asks whether the interviewee would like a copy of this report.
4. The researcher has the Interviewee sign the Informed Consent Form.

Lead-in Questions

1. Have you been working in your current role for some time?
2. What are some of the great things that the position enables you to do?
3. Do you recall the Commonwealth's broad vision in 1995 on the whole-of-government IT infrastructure consolidation and outsourcing initiative? This was being managed at the time by the Office of Government Information Technology (OGIT). At the time, what did you think about the Commonwealth's broad vision?

Research Questions

My research approach is firstly to develop a model that captures important interorganisational characteristics, specifically those that indicate collaboration. I then want to use this model to describe the relationship between you and your IT service provider. Importantly, when I talk about two organisations working together, I am describing the public/private relationship in Commonwealth ICT Outsourcing, and so would like you to answer from this perspective.

1. So first off then and from your expertise of working in this and other organisations, what do you think are important constructs of public and private organisations working together?
-

2. What do you think the “levels” (characteristics) are within these constructs?
3. What characteristic in your mind would signify collaborative working between the organisations?
4. Is there any characteristic that stands out of you, that would clearly signify that there was no collaboration between the organisations?
5. Some of these characteristics are internal, some external, how do think that they might be managed to achieve a better outcome?
6. And now finally the hard question, considering your constructs and characteristics for interorganisational relationships, which ones best describe the relationship between your agency and the IT service provider?

Conclusion

1. The researcher summarises the generic constructs and characteristics discussed and lists those characteristics that the interviewee saw as important indicators of collaboration.
 2. The researcher summarises the characteristics that best describe the relationship between the interviewee’s agency and the IT service provider.
 3. The researcher asks whether the interviewee thought that important things were left out and should be now covered.
 4. The researcher asks whether the interviewee has any final questions.
 5. The researcher thanks for interviewee for their participation.
-

Appendix J – Examples of ‘Emergent Organisational Relationship’ models

This Appendix provides examples of:

- ‘Emergent Organisational Relationship’ models that were developed during the confirmatory group interviews; and
 - an example of an e-mail exchange with the participants, that was used to confirm the model.
-

Consolidated Constructs and Characteristics – Self-Managed Agency interviews

File:

Characteristics (increasing level of “partnering” from left to right)

Characteristic that represents “collaboration” is in red.

Motivation for the Relationship (Are the parties in the relationship because they really want to achieve something or are they just doing what they've been told to do by the government, or just filling their order book?)			
No reason for the relationship. Just a "supply" or buyer/seller relationship. Never hear from them! No interest and no motivation to meet the other party. May potentially have opposite objectives and separate agendas. Government trying to get the most for the smallest price. Supplier just trying to fill their order books. No big deal to either party if the agreement ended.	Only call when they have to. Face value. Only motivated when it suits them. Partnerships only work when they like the decisions being made by the other partner.	Get together when there is an initiated topic (e.g. a service problem or a new project). Enthusiastic for a while, but motivation is commercially based and not long-lasting. Parties starting to work together and some issues developed on the basis of benefits to both parties.	Proactive. Enthusiastic about their role and the opportunity. Motivation is more than its dollar value. Acting in the interests of both parties (more likely to be strategic benefits). Trust the partner implicitly.
Business fit (Can the parties bring value to each other, work together, and interface into each other's businesses)			
Just bring “commodities” to the table with no thought of value. Could even provide negative value add through the implementation of inappropriate solutions or being forced into non-commercial agreements. Both parties receive less than what they expected from the agreement. The parties have no confidence in one another, and are sceptical of a advice and quotes.	Cooperate on minor projects. Some value-add achieved but it is achieved in a spasmodic and uncoordinated fashion. Some customisation of products and services but not in the areas of greatest value. Provide value but only in low level services.	An attempt made to understand the strategic goals of both parties and value add achieved against a number of these goals. Respected partner (e.g. work together on major projects). Value-add in some critical areas but this is not a consistent approach over time. Needs a gentle reminder every once in a while to make sure it works.	Fully, integrated within the business (e.g., part of the decision making process, close to business outcomes). Large value-add. Relationship flows to quantifiable business benefits to the strategic goals of both parties. Provide value-add because they understand the business requirements of the other party and put effort in to customising products and services. Provide value into the high end of the services. Fully trustworthy and reliable.

Shaping Factors - Business Fit

1. Need experience (contracting, contract management or major account management) in managing these types of relationships.
2. Key people in the relationship need to understand how to make it work.
3. Both parties need to provide cross-organisational education and opportunities for cross-organisational employment/secondment.
4. Key people should be motivated (and intimately understand) on background to projects and cross-organisational goals.
5. During the term, conduct planning sessions/days on “ways to add value” and develop the business fit.
6. Incentives to draw organisations together such as “Innovation Fund”.

Shaping Factors - Motivation for the Relationship

1. Reality is that the size of the “deal” is the greatest shaping factor for this construct. It is difficult getting around the reality that small deals are viewed as commodity transactions and neither organisation is going to put much effort into them.
2. Structure the deals so that they are large enough to make both parties take notice of them and have to work at them.
3. Encourage consortiums on both sides if required to progress point 2 (above).
4. Conduct regular meetings (at all levels) to view the workings of the other organisation to stimulate the innovation/motivation.
5. Develop opportunities for cross-organisational employment and secondments.

Consolidated Constructs and Characteristics – Self-Managed Agency interviews

File:

Competence (Do they know their own business, goals and strategies; and importantly, also those of their business partner?)		
<p>No confidence, sceptical of advice from the other party. Need to check everything. No understanding by the seller of their own products it ... and they can't deliver them. Buyer does not really understand its requirements and is constantly changing them. Involvement only because they were getting their "statistics [numbers] up". Just pushing their standard offering without any understanding of the business needs of the other party.</p>	<p>Supplier only performs as per their contracted SLAs. Basic understanding of their products but are not able to deliver them in a reliable fashion. Customer centralisation assists in the supplier understanding the customer's requirements. Basic level of competence although the partner would always test advice. Little confidence in advice from the other party, may accept advice in low risk/dollar projects.</p>	<p>Supplier usually meets SLAs and exceeds on some. Test advice in certain (e.g. high risk) cases. Confidence in specific areas ... cautious on advice in areas of high business impact. Full understanding of the business, but only by a limited number of staff. Main people (staff that face the other party) understand the requirements of the other party.</p>
<p>Supplier constantly exceeds their SLAs. No monitoring, no testing of judgement. Fully competent and reliable. Full understanding of their products it. Supplier knows and correctly interprets what the customer wants even though there is incomplete information given by the customer. Customer understands that it has a requirement to provide definitive and clear direction.</p>		
People (What are the skills, attitude, experience of the staff in both organisations?)		
<p>Suspicious of the motives of people in the other party and have no trust in them. Customer thinks that there is lock in. Wrong people or experience in dealing with the contract. No understanding of the services being outsourced. Face value, only come to see you because they have to and then only late in the contract. Arrogant with no interpersonal skills. No understanding of the outcome/customer's requirements. Just follow the processes!</p>	<p>Scattered mix of people with the correct attitude and also those suspicious of the motives of the other party. A few scattered people have the understanding. Only to get something out of it for themselves. No benefit to the other party. Has own views, may listen to views of other party but unlikely to act on them.</p>	<p>Service facing people in both organisations have the correct attitude which sustains the relationship. Service facing people have the experience and use this in the period leading up to the contract signature. Occasionally consider initiatives that will benefit the other party. Engages with the other party and provides honest effort but acts mainly in self-interest.</p>
		<p>Implicit trust by both sides. Best outcome for both parties with no lock-in. Both sides have people with the attitude of what we can do for you and not what can we get out of you. All people are experienced. Willingness to work with the other party and seek to understand their requirements.</p>

Shaping Factors - People

1. Reality is that people in both parties will necessarily have the self-interest of their organisation at heart (self-serving maximisers). They have to in order to survive! There need to be a willingness to learn and adapt (it's at the person level).
2. Provide cross-organisational education.
3. Short term work rotations in the other organisation
4. Joint planning workshops ... people have expertise that they usually don't get to demonstrate/use.
5. Recognition (awards) from the other organisation to make people feel important and valued. Non-cash awards to ensure probity of relationship.
6. Develop opportunities for people in both organisations to understand the business of opportunities/strengths of the other. Examples, demonstration of emerging technology in research labs of private sector and engagement in public sector "think tanks" on service provision.

Shaping Factors - Competence

1. Both parties need to understand their own business aims/objectives and operational requirements.
2. Need education from the other party on their business aims/objectives and operational requirements.
3. Internal education within organisations of business aims/objectives and operational requirements of disparate internal business units.
4. Engage other party in internal decision making ... i.e. rather than giving the other party the requirement/solution, give them the problem to solve.
5. Ensure that requirements/needs/problems are properly articulated so that the partner can be effectively engaged in assisting.

Consolidated Constructs and Characteristics – Self-Managed Agency interviews

File:

Governance (What is the impact of organisational complexity, process maturity and decision-making ability on the other party?)			
No prior governance model put in place. Either party is impacted by the wrong processes being used. There are lots of business units and projects in both parties making it very difficult for the other party to get established. Also an internal habit of offloading costs to others so as to keep certain of their internal projects on track. Due to the size and complexity of the customer the supplier has no understanding of the customer's requirements and does not know where to start.	A governance structure is developed that is one-sided usually favouring the buyer. Basic processes in place. Some flexibility but only in low value and low risk areas. Customers usually have separate IT Management Unit and Business Units. Business Unit and the IT supplier may not come up with or understand the organisational strategic plan or will miss out on some elements that are outside their experience e.g. security.	A limited attempt to develop a balanced governance structure but little understanding of the true issues. Processes are being developed but are not mature. Governance attempts to provide flexibility to support business requirements. Parties do not achieve this equally. Occasional proactive measures but with no consistency. Customer assists the supplier in understanding the complexity of the organisation. This may involve a three-way relationship between the business unit, the IT management unit and the IT vendor.	Both parties strive to act as a homogeneous organisation and assist the other in understanding their requirements. Documented and balanced service management layer with both parties held to account for their performance against it. Reported progress. Mature processes which are strongly implemented. Create value for both organisations and takes a flexible approach and proactive action. Understand the business and get involved.
Environment (Are there external influences that are hindering the working relationship, e.g. term of the contract, global financial pressures, or political factors?)			
No reason or understanding why the relationship is being developed. Each party uses its dominance at most effective times [buyer is prior to contract signature and service provider is post-contract signature]. Remuneration of staff within different parts of the organisations fosters win/lose and short term gain mentality. Buyer/seller relationship. Short term (2 to 3 years) agreement ... dissuades a partnering approach.	Both parties attempt to dominate the relationship [seeking a beneficial outcome for themselves] but due to lack of skill do so with little effect. Some understanding of the business environment of the other party however this is overshadowed by a poor working relationship. Short-term agreement with possibility to extend. Extensions only agreed by the buyer (government) based on reduction of service cost ... benefits to one side only. External factors such as political imperatives or external company profitability hinder a relationship.	The environment of the relationship changes over time and there is some understanding of this and the changing power structure by both parties but they do not make full use of it. There is a good working relationship but little demonstrated understanding of the wider business environment of the other party. Short term contract with extensions that are agreed on the basis of benefits to both parties.	Complete two-way understanding and ongoing implementation of the understanding. The worth and value created against the organisational relationship is an element of remuneration. Both parties understand the environment of the other and the defined processes. External influences are managed by each party with the assistance of the other. Both parties step up to their responsibilities, are open, and share issues. Long term contract could engender better outcome.

- Shaping Factors - Governance**
1. Organisations don't realise the cost of governance. Reality is that when costs are taken out of a relationship, they are taken out of the management (including governance) framework. Governance is also a function of the maturity and size of an organisation.
 2. Establish governance processes (joint procedures) early in the relationship. Examples, "contract calendar", list of deliverables/obligations, and regular meetings on performance.
 3. Review own governance prior to going to market ... and enforce it.
 4. Regular critical review of procedures and processes (annually).
 5. Shield other party from internal bureaucracy.

- Shaping Factors - Environment**
1. Is achieving collaboration the Holy Grail and the unfortunate reality of life?
 2. Educate the partner organisation about the environment and have genuine discussions (at senior level) on how they might assist. Issues may be around sharing of IP, disclosure, profit, efficiency and technology refresh.
 3. Avoid by having managers who don't understand the types of environment pitfalls in their own environment ... need experienced managers on both sides.
 4. Shield other party from the worst aspects of the environment.
 5. Educate internal stakeholders (including organisations such as AGIMO/DoFD) about the environment of the "deal".

The e-mail trail below provides an example of the interchange between the researcher and participants after the group discussion, and as a means of confirming the Emerged model.

Hi #Participant#,

Thank you very much for the comments.

Being cautious ... could I just make sure that I understand your second dot point under Influence. I understand that you are saying that you are relying on your partner for some of your own key business outcomes and hence you are increasing your own business risk. Is this correct?

If my understanding is correct, I agree that this would be a great demonstration of influencing each other's business. Wouldn't it be great if this could happen.

Many thanks.

Rowan

From: #Participant#
Sent: Tuesday, 31 March 2009 12:01 PM
To: Rowan Macdonald; #Participant#
Cc: John Rowan MacDonald; #Participant#
Subject: RE: Final Model

Hi Rowan,

No surprises there - that looks like the model we discussed last meeting.

Some shaping factors, without repeating #Participant#'s:

- People
 - o Informal and social contact encouraged to build understanding
 - o People involved in interactions should be briefed fully on background to projects and cross-organisational goals
 - Influence
 - o As above
-

-
- Rely on partner organisation for key business outcomes. Increase business risk by establishing these dependencies
 - Parochial
 - As above
 - Build-in some travel to collaborative projects to lift people out of their normal environment
 - Encourage secondments across the organisations

#Participant#

From: Rowan Macdonald [<mailto:rowanmac1@bigpond.com>]

Sent: Monday, 30 March 2009 9:34 PM

To: #Participants#

Cc: 'John Rowan MacDonald'; #Participant#

Subject: Final Model

Hi #Participants#,

Sorry to pester ... I imagine that you are flat out as usual. I was hoping to close-out our interviews with a follow-up of my e-mail from about a month ago (copied below).

I would like comments as per my original e-mail, however with this e-mail I have attached an amended version of the constructs which includes comments provided by #Participant# against Task 3 below (Shaping Factors). I'm hoping that #Participant#'s comments may assist you.

Looking forward to hearing from you. Remember, I'm only looking for a few quick points so don't feel that you need to commit lots of time. If it's easier, just give me a quick call.

Many thanks.

Rowan Macdonald

0434 076 322

Please find attached the revised model. I have:

- Reworded the characteristics of several constructs as per our last discussion;
- Divided the constructs into high, medium and low importance ... again hopefully as you suggested;
- Marked the characteristic for each construct that you believed best represented the current "fit" between #the two organisations#, with a blue circle; and
- Marked with a green (fat!) arrow where the "fit" was below the characteristic that you believed best represented "collaboration".

The purpose of this e-mail is to give you a final chance to comment on:

1. **The model . Does the wording of the constructs or the characteristics reasonably represent what you told me? Are the constructs correctly grouped into high, medium and low importance?**
 2. **The blue circles. Are they in the right place?**
-

3. **The green arrows. What are shaping factors that might take the current “fit” into the “red” ... into collaboration?**

The answer to the first two points above will hopefully be a simple yes ... so long as I correctly captured your comments from our last meeting. For the third point, I am looking only for a couple of quick dot points on the shaping factors against each of the three green arrows. I'm looking for an answer to the questions **What's stopping the organisations moving to the red characteristic? What needs changing/implementing?**

For example, you might consider that for the People construct, shaping factors that have an influence on moving to the red box are:

- Lack of communication plan. Could be the need for an annual meeting of key people, a glossy brochure, temporary staff transfers etc.
- Inflexible organisational structures. The “realities of life” (Commercial or political restrictions) get in the way of having an honest discussion with the other organisation about what your business goals are. You are worried about a competitor getting hold of the information.
- Instability. The organisations are constantly going through change (political or commercial) and hence the business goals are not stable for long enough to allow presentation to the other organisation.
- Inflexible people. Don't care or don't have the time and hence it's difficult to get interested in the business goals of the other organisation.
- Organisation diversity. The size and diversity of one or both of the organisations means that it's never going to happen! Too many people to have to educate!

Anyway, I don't want this to take a lot of your time so please don't feel that you need to provide lots of points. Please call my mobile if you need something clarified

Many thanks.

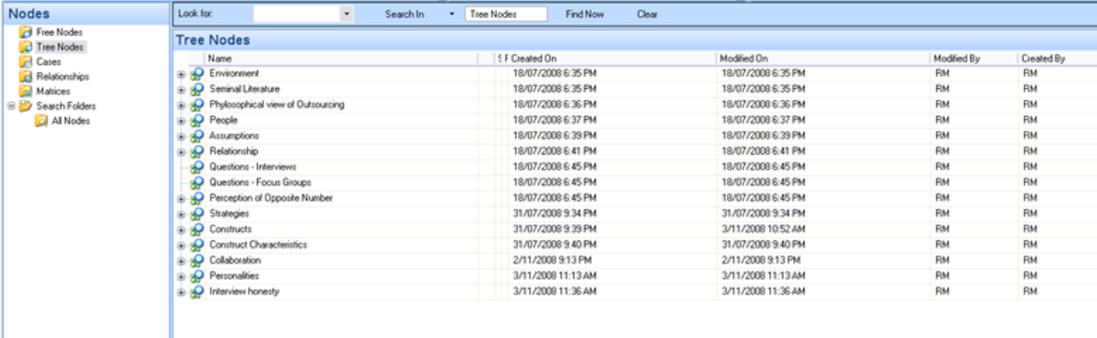
Regards ... Rowan Macdonald
0434 076 322

Appendix K – Examples of NVivo analysis

This Appendix provides examples of the node structures developed within the NVivo computer software tool, used to assist with the analysis of the interview dialogue.

Figure K.1 illustrates the highest level of ‘Tree Nodes’.

Figure K.1 – NVivo ‘Tree Nodes’



Name	Created On	Modified On	Modified By	Created By
Environment	18/07/2008 6:35 PM	18/07/2008 6:35 PM	RM	RM
Seminal Literature	18/07/2008 6:35 PM	18/07/2008 6:35 PM	RM	RM
Philosophical view of Outsourcing	18/07/2008 6:36 PM	18/07/2008 6:36 PM	RM	RM
People	18/07/2008 6:37 PM	18/07/2008 6:37 PM	RM	RM
Assumptions	18/07/2008 6:39 PM	18/07/2008 6:39 PM	RM	RM
Relationship	18/07/2008 6:41 PM	18/07/2008 6:41 PM	RM	RM
Questions - Interviews	18/07/2008 6:45 PM	18/07/2008 6:45 PM	RM	RM
Questions - Focus Groups	18/07/2008 6:45 PM	18/07/2008 6:45 PM	RM	RM
Perception of Opposite Number	18/07/2008 6:45 PM	18/07/2008 6:45 PM	RM	RM
Strategies	31/07/2008 9:34 PM	31/07/2008 9:34 PM	RM	RM
Constructs	31/07/2008 9:39 PM	31/11/2008 10:52 AM	RM	RM
Construct Characteristics	31/07/2008 9:40 PM	31/07/2008 9:40 PM	RM	RM
Collaboration	2/11/2008 9:13 PM	2/11/2008 9:13 PM	RM	RM
Personalities	3/11/2008 11:13 AM	3/11/2008 11:13 AM	RM	RM
Interview honesty	3/11/2008 11:36 AM	3/11/2008 11:36 AM	RM	RM

The next figure (Figure K.2) shows the expanded ‘Tree Nodes’.

Figure K.2 – Expanded NVivo ‘Tree Nodes’

Tree Nodes						
Name		Σ f	Created On	Modified On	Modified By	
Questions - Focus Groups			18/07/2008 6:45 PM	18/07/2008 6:45 PM	RM	
Perception of Opposite Number			18/07/2008 6:45 PM	18/07/2008 6:45 PM	RM	
Strategies			31/07/2008 9:34 PM	31/07/2008 9:34 PM	RM	
Competition	0	0	31/07/2008 9:36 PM	31/07/2008 9:36 PM	RM	
Co-operation	0	0	31/07/2008 9:36 PM	31/07/2008 9:36 PM	RM	
Collaboration	0	0	31/07/2008 9:36 PM	31/07/2008 9:36 PM	RM	
Coalescence	0	0	31/07/2008 9:37 PM	31/07/2008 9:37 PM	RM	
Constructs			31/07/2008 9:39 PM	3/11/2008 10:52 AM	RM	
Construct Characteristics			31/07/2008 9:40 PM	31/07/2008 9:40 PM	RM	
Governance (leadership)	0	0	2/11/2008 5:18 PM	8/02/2010 9:40 PM	RM	
Delegation of authority	0	0	2/11/2008 5:22 PM	2/11/2008 5:22 PM	RM	
Organisational (location) separation	0	0	2/11/2008 5:24 PM	4/11/2008 2:22 PM	RM	
Consultation on change	0	0	2/11/2008 6:02 PM	9/11/2008 6:22 PM	RM	
People and skills (understanding of business goals)	0	0	2/11/2008 6:13 PM	9/11/2008 6:19 PM	RM	
Decision making	0	0	2/11/2008 8:57 PM	2/11/2008 8:57 PM	RM	
Communication	0	0	2/11/2008 9:22 PM	2/11/2008 9:22 PM	RM	
Attitude of the people	0	0	2/11/2008 9:35 PM	2/11/2008 9:35 PM	RM	
Information	0	0	2/11/2008 9:41 PM	2/11/2008 9:41 PM	RM	
Understand business goals	0	0	2/11/2008 9:49 PM	2/11/2008 9:49 PM	RM	
Strength of decision making	0	0	4/11/2008 9:40 AM	4/11/2008 9:40 AM	RM	
People (tenure and handover for stability)	0	0	4/11/2008 12:07 PM	9/11/2008 6:35 PM	RM	
Commercial	0	0	4/11/2008 12:31 PM	4/11/2008 12:31 PM	RM	
Trust and confidence	0	0	4/11/2008 12:38 PM	4/11/2008 1:57 PM	RM	
Interaction Process	0	0	4/11/2008 12:55 PM	9/11/2008 6:14 PM	RM	
Organisational diversity (knowledge of services)	0	0	4/11/2008 2:28 PM	4/11/2008 2:30 PM	RM	
Public Sector (Services) Environment	0	0	6/11/2008 9:46 PM	6/11/2008 9:46 PM	RM	
Collaboration			2/11/2008 9:13 PM	2/11/2008 9:13 PM	RM	
Enduring	0	0	2/11/2008 9:13 PM	8/02/2010 9:40 PM	RM	
Not Enduring	0	0	2/11/2008 9:13 PM	8/02/2010 9:40 PM	RM	
Enduring with caveats	0	0	4/11/2008 9:51 AM	8/02/2010 9:40 PM	RM	
Demonstrated benefits	0	0	4/11/2008 12:28 PM	8/02/2010 9:40 PM	RM	
Perceptions	0	0	4/11/2008 1:08 PM	8/02/2010 9:40 PM	RM	
Examples of collaboration	0	0	19/08/2009 9:20 PM	8/02/2010 9:40 PM	RM	
Examples of lack of collaboration	0	0	19/08/2009 9:22 PM	8/02/2010 9:40 PM	RM	
Personalities			3/11/2008 11:13 AM	3/11/2008 11:13 AM	RM	
Unsure of themselves	0	0	3/11/2008 11:13 AM	8/02/2010 9:40 PM	RM	
Indecisive	0	0	3/11/2008 11:13 AM	8/02/2010 9:40 PM	RM	
Proud of job role	0	0	3/11/2008 11:20 AM	8/02/2010 9:40 PM	RM	
Commitment to working with partner	0	0	4/11/2008 9:52 AM	8/02/2010 9:40 PM	RM	
Says it as it is	0	0	4/11/2008 1:53 PM	8/02/2010 9:40 PM	RM	
Makes a strong point	1	1	4/11/2008 9:44 AM	17/02/2010 9:15 PM	RM	
Azrogant	2	6	3/11/2008 11:14 AM	21/02/2010 1:19 PM	RM	
Interview honesty			3/11/2008 11:36 AM	3/11/2008 11:36 AM	RM	
Holds back, politically correct	0	0	3/11/2008 11:36 AM	8/02/2010 9:40 PM	RM	
Just states the facts	1	1	3/11/2008 11:37 AM	17/02/2010 9:15 PM	RM	
Very honest	2	2	3/11/2008 11:36 AM	20/02/2010 10:41 AM	RM	

The final figure on the Nodes (Figure K.3) shows the detail of the ‘Constructs’ Node, including reference to the ‘Sources’ and ‘References’ – the coded interview transcripts.

Figure K.3 – Detail of the ‘Constructs’ Node

Name	Sources	References	Created On	Modified	Modified By	Created By
Constructs	0	0	31/07/2008 9:39 PM	3/11/2008	RM	RM
Organisational location (sepa	0	0	2/11/2008 6:21 PM	8/02/2010 9:40	RM	RM
Relationship (Balanced Tea	0	0	21/02/2010 2:11 P	22/02/2010 10:0	RM	RM
Relationship (Cultural Aligm	0	0	21/02/2010 3:42 P	22/02/2010 10:0	RM	RM
Organisation Complexity	0	0	21/02/2010 4:14 P	23/02/2010 3:31	RM	RM
Relationship (Business Agilt	0	0	21/02/2010 4:48 P	22/02/2010 10:0	RM	RM
Governance (Executive Drive	0	0	21/02/2010 4:55 P	22/02/2010 10:0	RM	RM
People (Not motivated)	0	0	21/02/2010 9:02 P	22/02/2010 10:0	RM	RM
Service Levels & Quality	0	0	19/08/2009 8:36 P	8/02/2010 9:40	RM	RM
Organisational Maturity	0	0	19/08/2009 8:43 P	22/02/2010 10:0	RM	RM
Relationship (develops over t	1	1	23/09/2009 8:44 P	22/02/2010 10:0	RM	RM
Governance (delegation)	1	1	2/11/2008 6:22 PM	22/02/2010 10:0	RM	RM
Communication	1	1	2/11/2008 9:22 PM	22/02/2010 10:0	RM	RM
Strength of decision making	1	1	4/11/2008 9:40 AM	15/02/2010 9:35	RM	RM
Organisational diversity (Ino	1	2	4/11/2008 2:31 PM	22/02/2010 10:0	RM	RM
People (Background expertis	1	6	15/02/2010 9:03 P	22/02/2010 10:0	RM	RM
Relationship (business objec	1	2	20/02/2010 6:01 P	22/02/2010 10:0	RM	RM
Interaction (Frequency)	1	1	19/08/2009 8:27 P	21/02/2010 11:10	RM	RM
Relationship (competitive or	1	1	25/08/2009 6:26 P	20/02/2010 6:22	RM	RM
Relationship (shareholder)	1	1	25/08/2009 8:28 P	20/02/2010 11:10	RM	RM
Collaboration (commitment)	2	3	4/11/2008 9:53 AM	20/02/2010 11:4	RM	RM
People (tenure and handover	2	3	4/11/2008 12:06 P	21/02/2010 1:02	RM	RM
Relationship (Business Align	2	5	19/02/2010 7:04 P	22/02/2010 10:0	RM	RM
People (procurement skills)	2	3	20/02/2010 5:35 P	20/02/2010 6:38	RM	RM
Trust and confidence	2	2	11/08/2008 8:31 P	22/02/2010 10:0	RM	RM
Strategic Planning	2	7	19/08/2009 8:32 P	22/02/2010 10:0	RM	RM
People (Attitude)	2	5	19/08/2009 9:29 P	22/02/2010 10:0	RM	RM
Business Competence	2	4	19/08/2009 9:46 P	17/02/2010 9:14	RM	RM
Governance (consultation)	3	4	2/11/2008 5:52 PM	22/02/2010 10:0	RM	RM
Information Sharing	3	7	2/11/2008 9:41 PM	22/02/2010 10:0	RM	RM
Organisational Compatibility	3	12	15/02/2010 9:23 P	22/02/2010 10:0	RM	RM
Lost Opportunities	3	4	18/02/2010 10:04	22/02/2010 10:0	RM	RM
Technology	3	5	18/02/2010 10:19	21/02/2010 12:5	RM	RM
Relationship (accountability)	3	9	20/02/2010 10:59	21/02/2010 12:5	RM	RM
Risk Aversion	3	8	20/02/2010 6:37 P	21/02/2010 1:19	RM	RM
Organisation structure	3	4	19/08/2009 7:51 P	22/02/2010 10:0	RM	RM
Governance (Pocesses)	3	18	19/08/2009 8:46 P	22/02/2010 10:0	RM	RM
Relationship (commodity bas	3	17	19/08/2009 9:35 P	22/02/2010 10:0	RM	RM
Reason for the Relationship	3	7	20/08/2009 8:57 A	22/02/2010 10:0	RM	RM
Public Sector (Services) Envi	4	36	6/11/2008 9:46 PM	22/02/2010 10:0	RM	RM
People (Motivation)	4	13	15/02/2010 8:43 P	22/02/2010 10:0	RM	RM
Commercial (understanding	4	13	17/02/2010 7:21 P	20/02/2010 5:43	RM	RM
Governance (leadership)	4	5	11/08/2008 8:31 P	22/02/2010 10:0	RM	RM
Relationship (value based)	4	11	19/08/2009 9:39 P	22/02/2010 10:0	RM	RM
People (personal relationship	4	6	25/08/2009 6:22 P	22/02/2010 10:0	RM	RM
People (skills & understandin	5	31	2/11/2008 6:10 PM	22/02/2010 10:0	RM	RM
Commercial	5	20	4/11/2008 12:31 P	22/02/2010 10:0	RM	RM
Atmosphere (Political)	5	22	15/02/2010 9:25 P	22/02/2010 10:0	RM	RM
Organisational Culture	5	10	17/02/2010 8:29 P	22/02/2010 10:0	RM	RM
Collaboration (benefits)	5	14	19/08/2009 8:54 P	22/02/2010 10:0	RM	RM

Whilst it was not used in the analysis, the participant attributes were also captured, to allow possibility of the data to be used in follow-on research. Figure K.4 shows the attributes that were captured on the participants.

Figure K.4 – Participant ‘Attributes’

Name	Type	Created On	Created By	Modified On	Modified By
Age Group	String	30/07/2008 8:47 PM	RM	30/07/2008 8:51 PM	RM
Career Stage	String	30/07/2008 8:59 PM	RM	31/07/2008 9:33 PM	RM
Case	String	30/07/2008 8:58 PM	RM	5/11/2008 9:33 PM	RM
Employment Status	String	30/07/2008 8:52 PM	RM	31/07/2008 9:32 PM	RM
Gender	String	30/07/2008 8:51 PM	RM	30/07/2008 8:52 PM	RM
Organisation	String	30/07/2008 8:57 PM	RM	23/01/2010 12:02 PM	RM
Personal Qualities	String	31/07/2008 9:42 PM	RM	22/03/2009 12:47 PM	RM
Role	String	30/07/2008 9:00 PM	RM	30/07/2008 9:01 PM	RM
Sector	String	30/07/2008 8:54 PM	RM	30/07/2008 8:55 PM	RM

Finally, Figure K.5 shows the completed NVivo ‘Casebook’ for the attributes that were captured on the participants.

Figure K.5 – Completed ‘Casebook’ for the participant ‘Attributes’

Classifications

Look for: Search In: Attributes Find Now Clear

Attributes

Name	Type	Created On	Created By
Age Group	String	30/07/2008 8:47 PM	RM
Career Stage	String	30/07/2008 8:59 PM	RM
Case	String	30/07/2008 8:58 PM	RM
Employment Status	String	30/07/2008 8:52 PM	RM

Casebook

	A : Age Group	B : Career Stage	C : Employment ...	D : Gender	F : Personal Qualities	G : Role	H : Sec...	I : Case
1 ...	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	ICT Supplier	Private	Self Managed
2 ...	20-29	Staff	Permanent	Male	Pedestrian	ICT Supplier	Private	Self Managed
3 ...	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	ICT Supplier	Private	Self Managed
4 ...	30-39	Manager	Permanent	Male	Thoughtful	ICT Buyer	Public	Single-Source
5 ...	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	ICT Buyer	Public	Multi-Source
6 ...	50+	Executive	Permanent	Male	Determined	ICT Supplier	Private	Multi-Source
7 ...	50+	Executive	Permanent	Female	Ambitious	ICT Supplier	Private	Self Managed
8 ...	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	ICT Buyer	Public	Self Managed
9 ...	50+	Manager	Permanent	Male	Pedestrian	ICT Buyer	Public	Single-Source
10 ...	50+	Executive	Permanent	Male	Confident	ICT Supplier	Private	Self Managed
11 ...	40-49	Manager	Permanent	Male	Thoughtful	ICT Supplier	Private	Self Managed
12 ...	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	ICT Buyer	Public	Single-Source
13 ...	50+	Manager	Permanent	Female	Thoughtful	ICT Buyer	Public	Multi-Source
14 ...	40-49	Executive	Permanent	Male	Thoughtful	ICT Buyer	Public	Self Managed
15 ...	50+	Executive	Permanent	Male	Thoughtful	ICT Supplier	Private	Multi-Source
16 ...	40-49	Manager	Permanent	Male	Confident	ICT Buyer	Public	Multi-Source
17 ...	40-49	Manager	Permanent	Male	Confident	ICT Buyer	Public	Single-Source
18 ...	50+	Manager	Permanent	Male	Confident	ICT Supplier	Private	Multi-Source
19 ...	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	ICT Supplier	Private	Single-Source
20 ...	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	ICT Supplier	Private	Multi-Source
21 ...	20-29	Team Leader	Permanent	Male	Pedestrian	ICT Supplier	Private	Single-Source
22 ...	40-49	Staff	Permanent	Female	Pedestrian	ICT Supplier	Private	Single-Source
23 ...	50+	Manager	Permanent	Male	Open-minded	ICT Supplier	Private	Multi-Source
24 ...	50+	Executive	Permanent	Male	Confident	ICT Supplier	Private	Single-Source
25 ...	30-39	Manager	Permanent	Female	Confident	ICT Supplier	Private	Self Managed
26 ...	40-49	Manager	Permanent	Male	Confident	ICT Buyer	Public	Single-Source
27 ...	50+	Manager	Permanent	Male	Thoughtful	ICT Supplier	Private	Single-Source
28 ...	40-49	Manager	Permanent	Male	Open-minded	ICT Buyer	Public	Self Managed
29 ...	40-49	Executive	Permanent	Male	Ambitious	ICT Supplier	Private	Multi-Source
30 ...	50+	Executive	Contractor	Male	Confident	ICT Buyer	Public	Multi-Source
31 ...	40-49	Executive	Permanent	Female	Confident	ICT Buyer	Public	Single-Source
32 ...	20-29	Team Leader	Permanent	Male	Pedestrian	ICT Supplier	Private	Single-Source
33 ...	50+	Manager	Permanent	Male	Confident	ICT Buyer	Public	Multi-Source
34 ...	50+	Executive	Permanent	Male	Open-minded	ICT Supplier	Private	Self Managed
35 ...	50+	Executive	Permanent	Male	Determined	ICT Buyer	Public	Self Managed
36 ...	50+	Executive	Permanent	Male	Thoughtful	ICT Buyer	Public	Self Managed
37 ...	30-39	Manager	Permanent	Male	Arrogant	ICT Buyer	Public	Self Managed
38 ...	40-49	Team Leader	Permanent	Female	Thoughtful	ICT Supplier	Private	Self Managed

Sources
Nodes
Sets
Queries
Models
Links

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