

**Influences of Management Practices in the  
Temporary Organisation and their effect on Value**

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## Declaration of Authorship

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## Abstract

**Purpose:** This thesis explores management practices in temporary organisations and their influence on value. In doing so, it examines a premise advanced by other researchers that coordinating labour and promoting best-practice communications are pathways to unlocking value at enterprise level and in the socio-economic sense.

**Design:** For the purpose of accumulating data, two case studies conducted over six years and focused on separate projects, each significant in scope and complexity, were theorised as temporary organisations. At different points in time, each business was either implementing change externally or undergoing its own change.

**Findings:** While neither temporary organisation formally defined or articulated value, the ensuing research indicates that targeted management practices had a propensity for its generation, primarily through constructive stakeholder relationships, by coordinating labour especially in times of change, and by implementing enhanced communications techniques such as feedback loops. It suggests that management practices influence social value in this setting and contribute to company profit—a hallmark of value theory—bringing benefits to the immediate enterprise and society. These case studies led to the determination that culture, both organisationally and ethnically, catalysed emergent value. Furthermore, by reapplying accumulated knowledge points to intellectual assets and clearly defining labour strategies, both within the temporary organisation and as part of its change mandate, these praxes continue to positively influence value creation.

**Limitations:** While this research provides insights on praxes promoting value within a temporary organisation, certain characteristics of the case-study model as applied emerge as limitations. These potentially include interviewee worldviews, restricted range of management practices considered, or reduced data selection for analysis. Financial data over a range of years following the research period would compensate the limited time period of the research confirming value generation. Limitations on cultural interaction experienced by local employees may have been reduced by strategically addressing tendencies identified. Finally, the nebulous nature of value itself presents limitations, the most intractable arising out of variance over time. Consequently, those governing a temporary organisation are obligated to periodically assess its value boundaries.

**Future Research:** To assist in visualising the tasks involved, an alternative paradigm to articulate value is provided in this thesis, in advancement of a quest to promote intrinsic worth within the greater entity. Future researchers, and practitioners for that matter, in applying and developing this paradigm, will further uphold the virtues of a temporary organisation as a means to value creation, bringing with their contribution a certain cachet in terms of its wider application.

**Contribution to Industry:** While it was established that management practices have the proclivity to generate value, temporary organisations could begin promoting the virtue of their strategic application in order to harness the power that lies in them. While empirical, the paradigm advocated in this thesis is proposed for adoption by a Project Management Standards Authority, such as PMBOK or PRINCE2, as part of a Benefits section. Independent of any such guidance, temporary organisations are urged to implement this paradigm in their own right, the better to incorporate management practices with a view to generating value beyond organisational decrees.

## Acknowledgements

The idea of this thesis began just over seven summers ago on the shores of Lake Como; perplexed by how projects can deliver value better. Wilfully naïve in the significance and complexity of such an undertaking mixed in with a somewhat misguided conviction of what a DBA entailed, determination was my only saving grace. Since undertaking this process, I would like to think I am more enlightened, more aware of contributing to, and what the process of knowledge creation is amongst the machinations of both business and commerce.

Throughout this doctorate, the manuscript<sup>1</sup> has been shaped and re-shaped to what it is today. Pale in comparison to those bucolic ideas of seven or more years ago. None of this, of course, could be done without my supervisor, Dr Steve Paton, for his sensible approach towards data selection and that writing only needs to be clear and original—nothing more.

To my Mum and Dad—Maureen and Adrian—there when chips were up, as well as down. But more than anything, they were there when nothing more could be said except for “just keep going”.

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Above all, I dedicate this manuscript to a dear friend of our family of over sixty years: Jan Krupski.

Friend. Mentor. Raconteur. A deeply respected family friend, and throughout this pandemic, these values served to fortify this special bond. Jan’s panache to provide only helpful advice and kindness are proportionate to each other.

And on those shores of Lake Como of seven or so years ago, the final scene of this degree could have only been a figment of our own imagination back then. Played out

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<sup>1</sup> Known as ‘thesis’ henceforth

against the backdrop of this pandemic of January 2021 and at its peak, when the streets—emptied and dusted with snow—read like an entry from the Diaries of Samuel Pepys (1660-1670). As the numbers inflicted by this hideous disease grew day-by-day, it was fear that forced us to shelter in our homes. Away from imminent danger, the only requirement to venture out was necessity; apart from that, my sole duty was to complete the final pieces of this manuscript.

However, taking refuge in complete isolation for almost five months at an accelerated pace is a testament to anyone's fortitude. But it was my three PM daily chat with Jan to discuss and ruminate my progress from the previous twenty-four hours and provide guidance and encouragement on elements most practical. And forthright counsel when needed. Over time we mutually began to understand the complex concepts of value and their processes better. But above all, our friendship grew; we understood more about each other, with conversations on faith and armchair travel stories that would be the envy of even the most fearless traveller. Above all, our friendship grew from trying to make light of a bad situation that neither of us had little or no control over, let alone the time difference between Martinique and London. Jan's faith in God is to be admired in all its riches.

From the bottom of my heart Jan, thank you, thank you and thank you.

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## 1.0 Introduction

The principal question of this research concerns the influences of management practices in the temporary organisation and their effect on value. Even though related research (Lundin and Soderholm, 1995; Lundin et al., 2017) has recently disrupted entrenched concepts of 'project management', the temporary organisation has become recognised as an environment in which a “praxis” (Hallin and Maaninen-Olsson, 2018, p.2) is realised. A temporary organisation fosters the accrual of greater benefits to society and its institutions than the mere delivery of mandated or contractual outputs under the tutelage of project management. Research on temporary organisations remains scarce amongst project management studies and, by extension, management studies in general. Encouragingly, recent work (Fernandes, Spring and Tarafdar, 2018; Sydow and Braun, 2018; Spanuth, Heidenreich and Wald, 2020) carried out at the temporary organisations' intra-organisational level empirically suggest their deployment to be disproportionately effective in comparison to input required. These researchers edge towards legitimising this organisation-archetype and its techniques.

While implementing a temporary organisation is an emerging field where the focal point has been on its internal mechanisms, little is understood about its impact beyond the temporary organisation's nucleus. At best, evaluation of its influence tends to be deterministic—a self-prophesising of its virtues. A study by Lundin and Soderholm (1995) suggests an ongoing emphasis on the temporary organisation's internalisation, although there is nothing in that study to measure its success

independently nor validate its wider application. As a consequence of this apparent divide between the adoption of targeted management techniques in the framework of a temporary organisation and the publicising of their outward success, business is unnecessarily deprived of a chance for competitive advantage.

The thesis details research directed at “[two] projects as [theoretical] temporary organisations” (Sydow and Braun, 2018, p. 5) undergoing or implementing change—respectively. Moreover, it seeks to understand the ‘influences of management practices in the temporary organisation, and their effect on value’.

This thesis will present empirical evidence on the effect of key management practices, namely coordinating labour- and cognitive-based practices enshrined in the temporary organisation, together with their ability to generate value through “multi-layers” (Sydow and Braun, 2018, p. 5) of the parent company and the socio-economic levels in which it operates. Furthermore, it aims to reawaken the practitioner’s predisposition towards value and the pathways for realising it.

Therefore, this research has vital importance for project industrialists, change practitioners, and academics, with a fundamental interest in the nature of value theory and its application (Smith, 1776; Mill, 1848; Marx, 1867, 1878, 1883; Jevons, 1871; Menger, 1871; Chisholm, 1986; Baumgartner and Zetaniec, 1996; Blankenburg Holm, Eriksson and Johanson, 1999; Bowman and Ambrosini, 2000; Sinha, 2010; Orsie, 2015).

This research is divided into seven chapters beginning with a literature review, which examines classical and contemporary sources to assist in the comprehension of value and its historical origins. Recent theory regarding the temporary organisation has led

to its being flagged as a vehicle for ascertaining value and as a force for driving its generation. The Methodology chapter discusses the researchers' philosophical and structural approach to this research, while the Analysis of Data chapter outlines the treatment of information collected within the two organisations. The Anthology chapter provides details of two temporary organisations that are either implementing change or undergoing transformative improvements.

Findings accompany the literature, enabling the formation of a clear picture of means by which the temporary organisation can generate value. The assertion follows that, when a temporary organisation is implemented with the assurance that specific governance elements are in place, the potential that unforeseen, perhaps unintended, value generation will occur for its practitioners approaches dramatic levels. The findings and conclusion examine the data in an effort to expose both its merits and its weaknesses, and highlight contributions to practice and industry.

## **2.0 Literature Review**

### **2.1 The Temporary Organisation, its Nature and its Relationship to Value**

What is the nature of the temporary organisation? The last two decades have seen the concept of a temporary organisation emerge as a field of practice for industry to adopt with an ethos that lies beyond simply delivering outputs. In the short time since its inception, the temporary organisation has tended to be perceived as an extension of project management, lending itself beyond stated outcomes to include socio-economic ones. Mostly expected to generate social benefits rather than strictly deliver engineering and construction outcomes, in fact, it has shown itself to provide economic advantages and exert synergetic effects on the management of the parent entity. By adopting project-management methods honed over several decades, businesses increasingly seek to deliver outcomes in a structured and controlled manner. A project-management team, in imitation of its parent entity, could be considered a vertical or even a cross-functional department.

From research no earlier than 1990, the temporary organisation emerges as a fresh concept. Researchers jostle to better understand its contribution to both practice and theory while concentrating on its internationalisation (Lundin and Soderholm, 1995; Fernandes, Spring and Tarafdar, 2018; Hallin and Maaninen-Olsson, 2018; Sydow and Braun, 2018; Nilsson Vestola et al., 2021).

Providing focus is maintained on the internal workings of a temporary organisation, it is able to perform as a fully integrated business unit operating cross-functionally

and in support of the parent entity's strategy. A dominating mindset persists that, as each outcome is integrated operationally, a new outcome in its embryonic stages is identified to support the enterprise as it strives to compete in the broader market (Amit and Schoemaker, 1993). The propensity for delivering benefits beyond its own jurisdiction highlight the need to monitor the relationship between itself and its parent entity, especially as regards management practices.

In many businesses, the internal nature of a temporary organisation resembles that of other departments. With this configuration come certain rituals, practices and methods that are unique to the way in which it operates. To consolidate requirements and prepare the enterprise for inevitable change, temporary organisations also work across other business units to deliver beneficial outcomes, notably in the social and economic sense. A comparison of practices between the temporary organisation and its parent provides a landscape for the enterprise to determine the emergence of value. After all, value is multifaceted with its own properties, systems and uniqueness. The problem with value, however, lies in its definition.

Little has been written about the temporary organisation and value. This thesis contends that the discipline and theory of value can further validate the temporary organisation's legitimacy. Existing research of value creation by temporary organisations (Vuorinen, 2019; Spanuth, Heidenreich and Wald, 2020; Ghazimatin, Mooi and Heide, 2021) tends to be narrow, loosely embedding research into a theoretical framework. Although it does not argue the existential benefits beyond

the realm of the temporary organisation, Vuorinen's research team (2019) maintains that its implementation has a greater chance of success when mindsets are routed towards value creation, rather than outcomes alone.

In another recent study, Zerjav (2021) discusses participation in business projects. He discusses value as a tangible outcome, a benefits realisation. While this position is not necessarily wrong, its spirit remains in delivering outputs and is—in part—incongruent with a similar assertion by Lundin and Soderholm (1995) and Lundin *et al.*, (2017). These researchers contend that since the temporary organisation extends beyond the threshold of a business into the external environment, events and processes occurring within it must exert internal impacts.

The reason for focused research in this thesis by way of two separate case studies is to explore the influence of management practice on value creation in an enterprise, in parallel with an effort to formulate and define value itself. Given the temporary organisation's ability to influence the wider aspects of society and the economy, establishing its potential for value creation remains key to justifying its widespread implementation. The following section begins by posing questions about the nature of value.

### **2.1.1 Value—an introduction**

To ease, if not resolve, the conundrum of assessing a temporary organisation's effectiveness, this thesis emphasises the dynamic nature of value. In parallel with the parameters above, notably economic benefit or positive synergetic effect, an

increase in competitiveness, indicating heightened attractiveness to the beneficiary of an object or service produced, attributable to the functioning of a temporary organisation, represents an increase in value at the parent-entity level.

Robert Pirsig's 1974 classic *Zen and the Art of Motorcycle Maintenance* describes value as a concept of quality (Pirsig, 1984). Value cannot be adequately defined; humans have an agnostic attitude towards it, Pirsig concludes (*ibid.*). This postulation reflects the ambiguity of the notion of value, and the difficulty of its definition. In spite of Pirsig's claim, the world of commerce has frequently misused the concept of value, instead of using it to conjure up—with some success—a distorted understanding of what value means.

While value as a mantra has often been exploited, its multifaceted nature lends itself to multiple definitions that may lead to it becoming misrepresented. Terms such as “‘value in use’ and ‘value in exchange’” (Sewall, 1901, p. 2), used today by organisations to develop competitive practices and to influence customer behaviour, can be traced through two millennia to Aristotle (cited in Sewall, 1901). Throughout this period, value has been widely used as a lens through which to view businesses and make informed judgements about the manner in which markets are organised, or to appreciate the mechanics of commodity availability or labour supply.

Despite this long history, academics and business practitioners are, if not in fierce disagreement, at least uncertain when attempting to integrate related theories of value using a common framework. Without such a framework, the force of any argument about value diminishes as they vacillate between commodity ‘exchange’,

not to mention the 'utility' or 'use' of commodities vis-a-vis 'final products' or 'services'.

Placed alongside the most fundamental definition of value, which may be stated simply as: "an object or service has value if it is desired by its possessor or beneficiary", this literature review explores key related theories, especially with regard to temporary organisations and their output. For the most part developed during and since the Enlightenment period (Smith, 1776; Ricardo, 1817; Mill, 1848; Jevons, 1871) and in the late nineteenth century by Marx (1885, 1887, 1863) and Menger (1871), major theories of value are drawn upon to present an approach to adopting value-related concepts for the benefit of an organisation. One purpose of this thesis is to try to make sense of 'value in use' (Smith, 1776; Menger, 1871; Ehrenfels, 1896; Meinong and Mally, 1923; Brentano, 1995) and 'value in exchange' (Smith, 1776; Jevons, 1871; Mill, 1848; Ricardo, 1817; Marx, 1885, 1887, 1863) while examining their relationship to each other.

To exchange products or commodities at market, there must be an intrinsic relationship to a use-value—people or communities need them, want them, or have an attachment to them. Because businesses have not always been clear on the concepts of value, this literature review also explores ways in which they might execute value-creating strategies, notably by implementing a temporary organisation where appropriate.



### 2.1.2 Axiology—the philosophy of value

Why do humans attach greater worth to one object over another? This literature review begins by investigating the philosophical theory of value known as axiology, which refers to “axios or worth, and logos or reason” (Hart, 1971, p. 29). Axiology reflects on the intrinsic nature of valuation in human life (Hart, 1971; Handoyo, 2015). As humans, we make judgements about people and events; we prefer happiness over sadness, satisfaction above dissatisfaction, peace to war; we marginalise the minority and privilege the majority (Hart 1971); and whenever we do so, we value one of these qualities in either its negative or affirmative form (Hart, 1971). Brentano (1874) made contributions to axiology. His (1874) thesis centred around truth and judgement (Hart, 1971; Huemer, 2009) and affirmed that ‘judgement is true when it is evident’ and is embodied with a ‘truth-value’ (Huemer, 2009, p. 270). According to Brentano, “a person judges truly if, and only if, his judgement agrees with the judgement he would make if we were to judge with evidence” (Chisholm, 1986, p. 38). In other words, unless we can objectify or measure the form we are evaluating, we cannot develop a value system for that object.

With the temporary organisation ensuring an outside perspective by projecting unconventional measures of value onto the workings of the parent entity, such value systems are able to mature and flourish beyond the capability of the parent itself.

Another contributor was Ehrenfels (cited in Smith, 1995), who stated that value is the relationship between desire and feelings (Smith, 1995) towards an object. For an object to have value, there must be a hedonistic desire to possess or use it, even if

the object exists only in a metaphysical state (Smith, 1995). However, Ehrenfels asserts that this is not always true, as humans 'desire' food, water and shelter to survive irrespective of whether 'feelings of pleasure' are involved (cited in Smith, 1995, p. 284), given the undesirability of the lack of any of these commodities.

Another axiologist—Meinong (1996)—positioned his theory on feelings (cited in Baumgartner and Zetanić, 1996). However, Meinong never disputed Ehrenfels's account that desire was a legitimate response to intrinsic value (cited Baumgartner and Zetanić, 1996). This thesis subscribes to Ehrenfels's view of desire for goods as a response arising from a basic human need for them—even if it is only water or air.

While these dominant theories centre around truth and judgement related to desire and feelings (Hart, 1971; Huemer, 2009), Nietzsche discusses value differently. Nietzsche's argument is confined to "ethical beliefs and practices" (Guay, 2007, p. 356), leading to the emergence of resultant value systems within society (Guay, 2007). In *The Genealogy of Morality*, Nietzsche focuses on the paths by which value emerges at both individual and collective or social levels; as humans, we suffer a 'slave-master complex'. What Nietzsche suggests is that we develop our own unique moral value systems of good and evil. He describes those with a 'master' complex—the 'nobility'—as "powerful, active, relatively unreflective agents who live a life of immediate physical self-affirmation". They consider the life they lead as 'good'" (Nietzsche, 2006, p. 21), and therefore assign the concept of 'bad' to the slave class. In turn, Nietzsche claims, the slave class develops a *resentment* identity and assigns the concept of 'evil' to the nobility (p.21). Members of the slave class thereby "come

to a pale semblance of self-affirmation only by observing that they are not like the 'evil' masters" (p.21). A process ensues, which Nietzsche describes as 'valuation' (p.21). Through this process, the concept of 'evil' is inversely reapplied to the 'masters', while the "slaves stylise their natural weakness into the result of a choice for which they can claim moral credit" (Nietzsche, 2006, p. 21). This process is as much about creativity (Guay, 2007) as about the formation of those valuing systems. However, as Hart (1971) states, Nietzsche's treatise was more related to ways in which value systems evolved and "[the process of] valuation" (p.30) rather than that which classes of people ascribe to value structures.

The above summaries raise timely questions about our "intrinsic" or "primary", as against "extrinsic", [motivations]" (Baumgartner and Zetaniec, 1996, p. 233). In particular, they address the issues that we personally hold dear (Hart, 1971; Baumgartner and Zetaniec, 1996) and the origins of our own moral value systems (Nietzsche, 2006). Such systems require humans to bestow, consciously or unconsciously, value-judgements on the utility or the aesthetic value of objects.

### **2.1.3 Value in use**

A schematic view of marginal utility or use-value begins by reflecting on the tendency for people to value certain commodities over other commodities and their inclination to recognise that commodities important to them may be less important to others. A largely subjective and metaphysical view by Menger (1871) of value within the economy is that consumers ascribe greater worth to goods and commodities than is

reasonable. According to Menger, the concept of value is simply about the “satisfaction of some human need and [...] therefore dependent [on the] quantity of all goods” (p.115), an existential consequence of that which is usually known in economics as supply and demand. He points out that value emerges, in part, from consumer dependence on commodities because humans are instinctively aware of the impact goods and services have on the population. Equally, “goods subject to the quantitative relationship responsible for non-economic character cannot attain value at all” (p.117). Menger addresses the difference between goods that have a price associated with them and those that do not, emphasising that while unpriced commodities such as air and water have utility, priced goods—such as coal—possess both utility and value. This tenet remains true even though Menger's (1871) particular examples may be outdated—water, for example, has long stood out as a value-creating agent in the context of agriculture and through its contribution to hydropower. Smith (1776) appeared unable to resolve issues with concepts such as usefulness, abundance, and cheapness of water versus the scarce, impracticable, and costly commodity of diamonds. Menger's idea of value centres on the concept of use of a commodity, rather than the exchange process. Lepak et al. (2007) see ‘value in use’ separately, with value referring to the relationship between a service or product and its surplus or aesthetic requirements. However, they also assert that the principle of value-in-use relates to exchange value, and “[that] it depends on the relative amount of value that is subjectively realised by a target user (or buyer) who is the focus of value creation” (p.182). This assertion opposes Ehrenfels and Brentano's

'Austrian school' of value theory (Smith, 1995), which focuses on the relationship between value versus feelings or desires and other intrinsic human needs, in response to which value is ascertained.

A philosophical underpinning of value signals a larger question. Why do members of a society buy, use, exchange and sell products and commodities, adopting a multi-criteria process to determine (for them) the value of an object or commodity? Marginal utility in part addresses this presupposition. Commonly defined as "the change in satisfaction from consuming an extra unit of [a] product", marginal utility differs from total utility, which is simply the "satisfaction from consuming a [...] product" (Begg and Ward, 2007, p. 63). The concept is predicated on the law of diminishing returns (Begg and Ward, 2007), which is to say that the greater amount of a product or service is consumed, the more its total utility diminishes (Griffiths and Wall, 2011, p. 64). The purpose of referring to these concepts is to recognise that persons, and therefore economies, place value on certain commodities and not others while acknowledging the relationship in value from one commodity to another which often appears irrational. A key insight on the part of business relates to the eagerness on the part of its clients to assign values to, and make value judgements about, products and services, no matter how incomprehensible that process may be. Despite marginal utility's imperfections as a deductive framework, it is important as a tool to fathom consumer demand that encompasses the dependent variable of satisfaction. Can an organisation satisfy that demand through the supply of products and services incorporating broader social, aesthetic and use-value systems? The

broader belief here is that consumers do have *a priori* value systems, based either on the utility of goods (Menger 1871) or on their aesthetic relationship to a product, service or commodity (Lepak et al. 2007). In response, businesses need to develop innovative strategies when trying to “satis[fy] ... [a] human need” (Menger 1871, p.115) via new or existing products that meet those value systems. Businesses are thus cast as both creators and benefactors of such strategies, simultaneously acting as *de facto* custodians to the value-creation process and instruments for distributing value within socio-economic constellations.

#### **2.1.4 Exchange and labour value theory**

Although the theory of value originates in ancient Greece, the concept did not re-emerge until the Enlightenment (Ramírez, 1999). When it did so, there was controversy about its application—the ways in which businesses handled products or measured their value. However, most (Smith 1776; Jevons 1871; Ricardo 1817; Mill 1848; Marx 1887, 1885, 1863) agreed that value was preserved in the mechanisms of the market, that people (as a discrete entity) and businesses contributed collectively to the interests of wealth-building (Smith 1776). Debate ensued around the interaction of labour with the central tenet of value in exchange (Mill 1848; Smith 1776; Jevons 1871; Ricardo 1817; Marx 1887).

The key conjecture in labour value theory centres on the idea that value emerges either through labour (Marx 1887, 1885, 1863) or through the exchange process (Smith 1776), whereby products are sold over or under their exchange price (Böhm-

Bawerk 1896, cited in Sinha, 2010). Although Smith (1776) was the first to expand on the idea of value from a market perspective, he wrote imprecisely about value both in use and in exchange. According to Smith, the “value in exchange is the power of a commodity to purchase other goods—its price ... is an objective measure expressed in the market” (Zera, n.d.). Smith claimed that gold and silver are more valuable in the “movable wealth of a nation, but [have] little to no use” (1776, n.p.) in everyday social life, though one may argue that gold and silver have an aesthetic value. He concluded that “labour [is] the real measure of the exchangeable value of all commodities” (p.14) and that “the nominal price[s] of all commodities are exactly in proportion to one another” (Smith 1776, n.p.). Further, while labour cannot be considered a commodity, Smith (1776) reasoned that it performed like one. While no formula was proposed to calculate its worth, he noted that labour was an intrinsic part of value, noting:

*[T]he real price of everything, what everything really costs to the man who wants to acquire it, is the toil and trouble of acquiring it. What everything is really worth to the man who has acquired it, and who wants to dispose of it or exchange it for something else, is the toil and trouble which it can save to himself, and which it can impose upon other people. (Smith 1776, n.p)*

Critical to Smith’s theory is his assertion that:

*[t]he value of any commodity, therefore, to the person who possesses it, and who means not to use or consume it himself, but to exchange it for other commodities, is equal to the quantity of*

*labour[,] which it enables him to purchase or command. Labour, therefore, is the real measure of the exchangeable value of all commodities. (Smith 1776, n.p)*

In Smith's treatise, he reasoned that productivity and efficiencies were achieved by dividing labour; however, he recognised that this is not possible in some industries (such as farming). Humans will naturally seek out ways to improve efficiency using technology to reduce repetition and labour. Smith offers the example of selling a coat, the production and sale of which needs multiple trades: farmer, spinner, tailor and real estate provider, among others, become part of a broad division of labour.

Ricardo's (1817) dominant position on value was that it depended on the amount of labour. He argued that Smith's (1776) governing proposition on 'use' and 'exchange' focuses on that which the commodity "commanded at the market" (Ricardo, 1817, p. 10). Ricardo contends that labour is relative, as is any commodity, and that Smith's idea that labour was discretely proportional was subject to other variability notions (Sinha, 2010). For example, changes to supply or demand heavily influence labour costs to produce grain and precious metal prices. Ricardo maintains that labour performs similarly to other commodities: it is subject to supply and demand and uniformly varies with changes in the communities' condition, which therefore has an impact on the overall price of a product. As Foley (2000) points out, this is a seminal insight into neoclassical economics, given that few other researchers address the variability aspect of the cost of labour.

Karl Marx asserted that value emerged through an industrial process; however, he also noted that "[o]ne only describes something as a commodity if it is exchanged;



something that in addition to its use-value also has an exchange value” (cited in Heinrich, 2012, p. 40) and that a society needs to exist for commodities to be exchanged. In part, Marx’s industrial premise of value—or capital as he puts it—centres on the idea that “socially necessary labour time [produces a] use value” (cited Heinrich, 2012, p. 43). In other words, “the exchange value of a commodity varies directly and uniformly with the quantity of labour time required to produce it under standard conditions of productivity, ... inversely and uniformly with the quantity of labour time standard required to produce other commodities, ... with no further circumstance” (Cohen, 1979, p. 339).

For example, the office of a North Sea oil producer may take one hour to process one hundred timesheets for rig workers. If modern technology is implemented - potentially by calling together a temporary organisation - to reduce processing time to less than five minutes, then the producer will still charge the original one-hour fee to process the same number of timesheets. The overall effect is that, since the cost of producing one barrel of oil remains unchanged (Kristopher, 2016), the business will realise an immediate profit from the leap in efficiency. As a next step, it may consider rendering redundant the employees who processed timesheets. Businesses are constantly seeking to reduce unnecessary labour time in order to be competitive, returning profits to shareholders. This sketch of Marx's views on labour value is greatly simplified; it is important to explain that there are weaknesses in Marx's argument, since Marx rejects “the status of labour-power to be conceptually equivalent to a commodity” (cited in Sinha, 2010, p. 204). Assignment of value to

labour poses challenges (especially in deciding price) when trying to adopt a position, bordering on a circular argument that labour, rather than being considered intrinsic to value, produces value via the forming of a temporary organisation.

Unlike Smith and Ricardo, who discuss labour as either proportional or variable in price, Mill (1848) discusses the purchasing power of a commodity or “the command which [its] possession [of a labour price component] gives over purchasable commodities in general” (pp.85–86). Mill provides a less precise explanation, that “the same thing exchanges for a greater quantity of some commodities and [...] a very small quantity of others” (p.86). He stresses that modern technology can reduce cost and that this will have an effect across all commodities, making them cheaper to buy. Apart from deflation resulting from oversupply, exceptions to this rule might include changes in interest rates. Such ideas emerged in parallel with the Industrial Revolution when steam trains transported goods faster than traditional means and new machinery in textile factories produced more output than human capital.

Mill contends that there are always general price rises in commodities and that such rises render irrelevant the idea of an exchangeable value of commodities. He argues that the exchangeable value of a commodity or product can only “rise ... by exchanging for a greater quantity ... in which case [a commodity or product is exchanged] for a smaller quantity [as] all things cannot rise relatively to one another” (1848, p.86). He adds that the reason for this lies in a commodity’s utility and notes that for any value in exchange, three qualifying conditions must exist:

1. desirability
2. scarcity, and

3. transferability (related to moving goods and their mobility).

Mill illustrates these conditions through three different scenarios. The first is exchange where scarcity of a product has no bearing on its intrinsic desirability but, rather, demand heavily influences its perceived usefulness. The second involves exchange taking place only “where [usefulness] is great, but the value is ... limited by the difficulty of obtaining it” (p.87). The third concerns the case of an infinite availability of a commodity. For example, the supply of water may be considered to be unlimited. However, as Mill points out, labour availability is not infinite and, if a business requires more, then the corresponding exchange value increases because it is “limited to population [and] the payment of rent” (Mill, 1848, p. 88).

It is important to be clear that Mill examines this relationship because, as Jevons (1871) points out, relativity does not refer to an entire portfolio of commodities rising as a consortium, but rather is bound to a specific exchange transaction. For example, if one tonne of wheat is exchanged for half a tonne of coal or maize, the laws of ‘value in exchange’ do not equate one tonne of wheat to one tonne of maize. Jevons asserts that Mill’s explanation of value is aphoristic and instead argues that “value [should be expressed as a] ratio of exchange” (Jevons, 1871, p. 30) and not in relative terms. Jevons does, however, agree with Mill that the term ‘value’ expresses the notion of usefulness or desirability.

In the context of the temporary organisation, labour clearly emerges as an important factor in realising value, where the least amount of labour input is exchanged for the greatest output, despite often intractable differences over the manner in which value

is obtained, established or measured (Smith 1776; Marx 1887, 1885, 1863; Ricardo 1817; Mill 1848). In the quest to reconcile Marx's and Smith's concepts of proportionality and quantities of labour, it is worth emphasising the position of Marx (1969) in his 'Theory of Surplus-value' that Smith's (1776) view that labour was proportional can only be broadly interpreted:

*"Smith is examining only commodity exchange in general: the nature of exchange-value, of the division of labour and of money. The parties to the exchange still confront each other only as owners of commodities. They buy the labour of others in the form of a commodity, just as their own labour appears in the form of a commodity. The quantity of social labour which they command is therefore equal to the quantity of labour contained in the commodity with which they themselves make the purchase" (1776 NP).*

Therefore, any empirical evidence upholding Smith's theory that labour is proportional can only be generalised, not quantified. The same applies when treating Marx's "socially necessary labour time" (Heinrich, 2004, p.43), as broadly discussed concerning the ways in which labour influences value.

Considering this same exchange process (Mill 1848), technology accompanied by innovation becomes a strategic instrument since, with judicious implementation, labour can perform routine and repetitive tasks with greater accuracy than before, and at a lower cost per unit.

### 2.1.5 Criticisms of labour and exchange value theory

A famous critical treatment of Marx was provided by Böhm-Bawerk (1896, cited in Sinha 2010), who asserts that surplus-value occurs where “[some] commodities are sold above ... and others under their value, ... not exchanged in proportion to the labour embodied in them” (p.28). Böhm-Bawerk refutes Marx’s notion that any deviations resolve themselves into one another, including the issue around labour (Sinha, 2010; Pascual Serrano, Vera Pasamontes and Girón Moreno, 2016). As Sinha (2010) points out, this argument is limited to products where labour has been involved. Marx, he contends, should have avoided generalising that labour is a factor in all commodities. Despite Marx’s controversial views regarding commodities, industrial labour processes are dominant in his theory (Sinha, 2010). Böhm-Bawerk’s second argument was based on Marx’s “socially necessary labour time” (cited in Sinha, 2010) and his assertion that when production falls, so do prices. Böhm-Bawerk noted a flaw in this argument—namely, that while labour played a critical role in determining prices, so do other variables properties, including interest, exchange rates and ‘supply and demand’ (cited in Sinha, 2010). Böhm-Bawerk also makes the point “[that] if use-values are associated with the physical properties of commodities [then these] cannot be compared qualitatively [as] the same applies to the [physical] labours that produce the use-values and the commodities” (Böhm-Bawerk, cited in Sinha 2010, p.206). The misalignment resulting from the premise that labour is embedded in existing commodities presents challenges in interpreting the wider value notion. Sinha (2010) criticises Böhm-Bawerk’s arguments, calling them

rhetorical in that “[comparing] values in use of different kinds according to the same amount of the value in use does not make sense [because there are differences in skilled and unskilled labour]” (p.207).

Lebowitz (2003) argues that Marx’s writings were not about using the working class and unskilled labour as an archetype to argue that capitalism was exploitative in that it subjugated such classes. This literature review does not deny that labour can be exploited; however, it favours the view that value can also emerge from “socially necessary labour time” (Heinrich, 2004, p.43) to generate a competitive advantage at the intra-organisational level. In all likelihood, Marx would reason against Böhm-Bawerk by arguing that labour is the embodiment of value, despite his contradictory statements regarding commodity deviations resolving themselves into one another. All the labourer would be doing is preserving previous effort that went into the product or commodity; there would, therefore, be a payback period in the form of labour before new value could be recognised via existing labour forms (Marx 1863). Conversely, Marx (1887) asserts that labour not only adds value to existing commodities and products but is also constitutes the true source of value:

*The value of raw material, therefore, forms an ever-growing component of the value of the commodity product in proportion to the development of the productivity of labour, not only because it passes wholly into this latter value, but also because in every aliquot part of the aggregate product the portion representing depreciation of machinery and the portion formed by the newly added labour—both continually decrease. (p.76).*

There is an argument that all assets depreciate, even where labour has contributed to the construction of such assets. According to GAAP (Generally Accepted Accounting Standards), all fixed assets except for land (e.g. bricks and mortar, machinery) are depreciable (Warren, Reeve and Duchac, 2011). Most businesses exchanging products are likely to use GAAP or similar international accounting rules to depreciate assets; therefore, the value of original labour forms would also diminish through depreciation standards which apply irrespective of whether a socialist or a capitalist system is under discussion.

#### **2.1.6 Use, labour, and exchange value: conclusion**

There have been several key theories about the emergence of value in 'use'. One theme is the idea of exchange in products and services (Marx 2004), with labour forming an intrinsic part of this exchange process (Smith 1776; Marx 1887, 1885, 1863; Jevons 1871; Ricardo 1817; Mill 1848). Likewise, technology (Marx 1887, 1885, 1863; Mill 1848) and the scarcity of commodities as a condition (Mill 1848) present provocative aspects regarding the concept of tactical value—more so for competitive advantage, which raises timely questions about other aspects of value and the ways in which value is assessed as a strategic concept within organisations. Techniques for applying labour and technology to generate value occupy the realm of those organisations as they strive to understand their own position within the market and against competitors. Especially in such dynamic perspectives, traditional labour and exchange value theory appears challenged in its practical application (Foley, 2000).

Where generating surplus-value during industrial processes is defined as the objective of businesses, especially those implementing temporary organisations, there is a need to approach value-based strategies as an integrated practice encompassing ethics and labour, exchange value theory and aesthetics. However, rather than concluding that value is created wholly and sufficiently from such aspects, Smith (1776) and Marx (1887, 1885, 1863) argued that a society or community needs to exist for it to appear. Members of societies and communities participate as agents within the value-creation process. The following section explores the roles of such agencies, the emergence of their membership and the manner in which activities within the value-creation process may be coordinated.

### **2.1.7 Social value**

Holm Blankenburg et al. (1999) argue that a “business network relationship is critical in developing intra-organisational systems of workflow interdependence that promote the creation of value” (p.467). Their study examined the supplier relationships after telecommunications company Ericsson and Tokyo Digital of Japan entered into a partnership wherein their success relied heavily on a cooperative relationship. A key assumption in this relationship is that “two partners coordinate a number of exchange and production activities in a way that increases their interdependence and thereby their joint productivity [...] creating relationship value” (pp.469–70). The other crucial assumption is the forging of personal bonds within the business relationship, with stakeholders on each side playing pivotal roles (Holm



Blankenburg et al. 1999). Holm Blankenburg et al. conclude that value can emerge through “mutual dependence, mutual commitment, and business network connection” (p.479). They note that the financial profitability of the relationship depends on the relationship between the two contracting partners, as was found to be the case in the Case Study when considering Temporary Organisation Two.

In another study, Tsai and Ghoshal (1998) examine “[how] social capital affects the internal functioning of businesses and, more specifically, how social capital contributed to a business's ability to create value in the form of innovations” (p.464).

Tsai and Ghoshal define social capital as “a set of social resources embedded in relationships” (p.464) and argue that social capital is a collective view held by the entire society. They analyse several hypotheses and discuss how relationships between business units affect value creation. This analysis focused on how each business unit positively engaged with the others; promoted visions; exchanged and shared resources; and projected trust and integrity (Tsai and Ghoshal 1998). Questionnaires were dispatched to a sample population permitting descriptive statistics and regression results to be addressed (Tsai and Ghoshal 1998). These researchers conclude that value did emerge through formal social networks, and via informal social network interaction. However, they do not define how original value emerges through technology, profit or labour, or how it is exchanged.

Prahalad and Ramaswamy (2004) argue that the customer and the business co-create value and that, ordinarily, the business's role is to extract money from the consumer and exchange goods and services through the market; thus, ‘value creation’ is

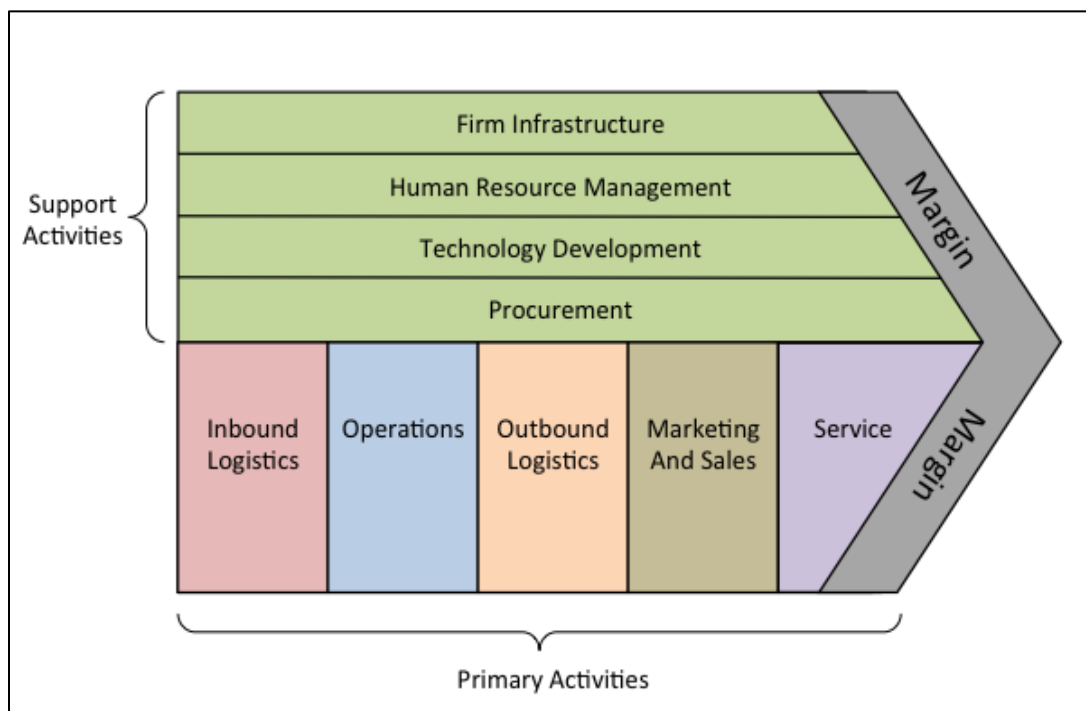
coordinated from within the business. They also assert that customers are more cognizant than ever of the current market price for many products and services, particularly fast-moving consumer goods (FMCG), compared with products traded through online portals such as eBay. Empowering consumers to negotiate for a better price through a discrete and aggregated negotiation process will inevitably force businesses to drive costs down through their supply chain. Prahalad and Ramaswamy contend that the only way to generate value is to retreat from a position in which the business was dominant in the exchange process to a position in which the business and consumer are equal partners through higher-quality interaction and better “dialogue, access, risk transfer, [and] transparency” (p.5). They give examples of how this would materialise; for example, a better doctor–patient relationship through empowering the patient to make informed decisions about the medication prescribed, or for a plastics manufacturer to release technical details on the composition of resin products, thereby transferring part of the risk from producer to consumer. Prahalad and Ramaswamy are not claiming that value emerges through conventional theories as described above (labour/exchange/use) but, rather, that value can be created at the point of exchange. This exchange process would occur through better business–consumer or business-to-business interaction by being more transparent, generating authentic dialogue and giving greater access to information on products and services. Such activity leads to greater extraction of value (revenue or increased repeat use of products or services by customers). However, these are basic practices for conventional businesses. It is hard to

rationalise moving from a traditional supply-and-demand model to a business model built entirely on providing a unique customer experience. Prahalad and Ramaswamy do not acknowledge how onerous it might be to shift to a model based on “demand and supply [which is] emergent and contextual [and that] supply is associated with facilitating a unique consumer experience on demand” (2004, p.13). To suggest that businesses would embrace this subjective and fluid idea of generating value through networks seems somewhat naïve on the one hand, and, on the other, dangerous. The danger arises when providing an entirely subservient customer experience that lends itself to be manipulated by the customer. Likewise, if the researchers do imply that there is greater ‘use-value’ by consumers in the uptake of products and by employing services as a result of social value, then this can only be perceived value given that they fail to link social value to the intrinsic needs of the consumer.

To this point, the main theme evaluated is the way in which value emerging in the fullest context of the organisation appears fragmented, misaligned and, for many, lacking integration. There is, however, a broad consensus that value can emerge in organisations; the question is, what is the agent for its emergence? One candidate could be labour through the exchange of products and services; another technology, together with its socially-constructed component. It could emerge as a combination of all three. Furthermore, uniting these ideas into a coherent body of knowledge presents a challenge. Brentano and Ehrenfels were less ambitious than to attempt to encompass the entire theory of value into one framework, instead of confining themselves to general theories of value (Smith, 1995).

### 2.1.8 The Analysis of Value

Michael Porter's (1985) value chain (See Figure 1) concerns, in part, constructing and analysing the tasks performed by a business in a particular industry. Porter argues that "value is the amount buyers are willing to pay for what a firm provides them [and that] value is measured by total revenue, a reflection of the prices a firm's product commands and the units it can sell" (1985, p.38).



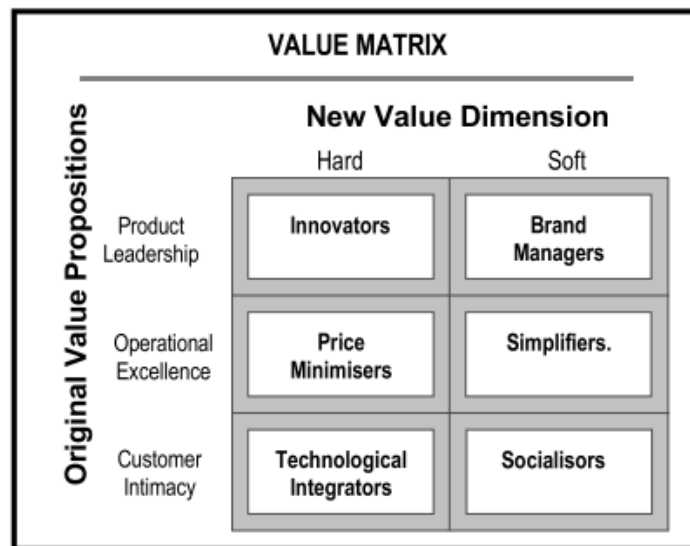
**Figure 1 Value chain (Porter 1985, p.38)**

This notion represents a significant departure from ideas of correlating value with labour, commodities or products; Porter's value chain is a conceptual tool that constructs related activities generating value in products/services (Becerra 2009). Primary and supporting activities partition this model. Primary activities relate to an organisation's competitive advantage while supporting activities reinforce the

primary activities through testing, procurement, finance, HR and similar. In dissecting each of these activities, [t]he principle is that [they] should be isolated and separated, that they (1) have different economics, (2) have a high potential impact of differentiation, or (3) represent a significant or growing proportion of cost. (Porter, 1985, p.45)

Porter argues that an important aspect of the value chain is the linkage, both internally and with suppliers, to “optimis[e] [the] performance of activities” (p.51). One purpose of this linkage is to highlight the duplications of different functions and costs so as to reduce repeat inspections (quality). Further, he points out that external linkages with suppliers (vertical integration) can lower costs through better cooperation and alignment with the supplier leading to best outcomes, such as bulk delivery or delivering more often to reduce storage costs. Such linkages provide a decision-making platform for the output of products or services in-house as against outsourcing them in cooperation with suppliers, a concept which dovetails with Coase’s (1937) observation regarding conscious cooperation choices. Coase’s seminal treatise observed that businesses routinely make rational decisions whether to produce components, such as engines, in a car assembly plant or to outsource them. By opting for the latter, manufacturers benefit from highly efficient supply chains and robust commercial management outside their specialisation field. For the production, design and construction of the A380 Airbus outsources many of its components. Stabilisers are produced at two sites operated by the Airbus CASA subsidiary in Spain; engines are manufactured by Rolls Royce in Derby Britain, and

assembly takes place in Airbus's Toulouse factory in France. MacDonald's fast food has opted for a decentralised supply model. The company relies on its internal supply chain, owning everything from grazing pastures to abattoirs and assembling the products in centralised factories before dispatching them to its retail outlets. Likewise, a buyer's value chain offers the organisation a representation of its "buyer's activity in which it is consumed" (Porter 1985, p.52). Identifying the product or service use-value may involve connecting with the consumer to evaluate product application; thus, the business develops a distinct advantage by targeting specific output sourced competitively through economies of scale that other businesses are unable to achieve. This researcher further argues that businesses can scale their scope because "it shapes the configuration and economics of the value chain" (1985, p.53). Achieving this enables businesses to focus narrowly or broadly across four dimensions: segment, vertical, via geography, and through industry. Porter notes that a value chain also serves as a tool for designing organisations and departmentalising the business.



**Figure 2 Value Matrix (Martinez and Bititci, 2001, p. 5)**

Martinez and Bititci (2001) offer another conceptual tool, the 'value matrix', for analysing value, by means of which they argue that value creation can be promoted by "aligning the corporate objectives to the customers' expectations" (p.1). They conclude that the "value matrix helps to focus business strategy to select customers and narrow operational focus to value creation in a selected market" (p.11). The value matrix uses a classification index devised by Treacy and Wiersema (1996), which, by extension, originates from other business and manufacturing value-based classifications. Two parameters, hard and soft, define this concept and give a two-dimensional matrix. The concept of rigid boundaries deals with technology, processes and physical assets; the soft parameters relate to talent development and inter- and intra-organisational knowledge. Martinez and Bititci use case studies to test their theory in two businesses. Each business is assessed as a complete organisation against the matrix and then functional units (marketing and operations) are

superimposed. In each of the case studies, two markets are considered: low-priced and premium. With varying results, according to the researchers, there was no dominant outcome.

Martinez and Bititci, and Porter, provide conceptual tools to analyse and construct value models within businesses, although neither research effort subscribes directly to the idea of original sources of value discussed earlier. Rather, they view value as a more broadly-realised outcome through profit via increased revenue and downward pressure on operating costs. Other academics see value creation differently, believing that value is socially constructed through networks (Becerra 2009). Network concepts such as social capital (Tsai and Ghoshal 1998), customer co-creation (Prahalad and Ramaswamy 2004) or “creating value through mutual commitment to business network relationships” (Holm Blankenburg et al. 1999) all seem to involve either a business-customer emphasis or a networking (business-to-business) relationship function, and seem to interweave with the broadest aspects of value.

### **2.1.9 Strategies for value creation**

It would be reasonable to assume that labour and the exchange process to trade commodities generate value both to the organisation and to the overall economy. However, when labour is replaced entirely or in part by technology, there has to be strategic intent (Hamel and Prahalad 2005) for value to emerge, and “few [organisations] go beyond mere imitation [to create value]” (Hamel and Prahalad



2005, p.148). At the core are ways in which an organisation may deliberately create a blueprint that places value central to its *raison d'être*, a strategy that influences its relationship with the market. One possibility is to adopt a differentiating position to induce an asymmetrical market underpinned by game theory. Brandenburger and Stuart's (1996) concept involves reducing costs, precipitated in "value partnerships" (p.17), with business-to-business relationships saturating such partnerships. In this event, process re-engineering would replace labour through outsourcing, replacement, or optimisation. This concept relates to the ideas discussed earlier that labour (Marx 1887, 1885, 1863) and technology (Mill 1848) can both satisfy the direct business cost and potentially affect commodity prices as well as labour costs (Smith 1776; Ricardo 1817) beyond the business. However, the underlying assumption is that it would be more efficient were there critical masses on the supply side driving down resource costs through technology.

Other literature suggests a much more general approach to developing strategies for value creation and that, through innovation and with a specific target market, organisations begin to realise value (Lepak et al. 2007). To achieve results using this approach, organisations would require original ideas engendered through "market, technical, and organizational ambiguity; [developed through a] collective effort" (Lepak et al. 2007, p.184) by the entire workforce. Another approach suggested by Lepak et al. is the internalising of dynamic capabilities through re-engineering processes and improved resource allocation while concentrating on product development. Not unlike other researchers, Bowman and Ambrosini (2000) assert

that value is derived from labour. To understand this perspective of value, an organisation must be strategic in defining its labour force through generic, deferential models and by removing unproductive attrition-prone labour. In their view, disproportionately high profit realisation requires intimate knowledge of the organisation and distribution of essential resources to selected organisational touch-points.

Most of these strategic offerings are generic; many overlap one another; and all seem to enshrine similar, superficial musings without being entirely specific, especially when discussing the emergence of value through labour, exchange, customer contact or other forms of value creation. Nevertheless, if proper value-focus and resource allocation are at the centre of an organisation's strategic goals, creative techniques become a prerequisite for their effective pursuit. What would be the key challenges in executing a strategy based on a menu depicting forms of value creation? An obvious approach would be to reduce labour costs by replacing repetitive or routine task sequences with technology, with any human intervention being by exception. One example is a play on the extension of the example given earlier regarding timesheets. While reducing reliance on paper documents, a business could employ a scanning solution that would recognise invoices and match details to purchase orders, enabling the purchase order owner to receive automatic notification signalling the need to approve or reject an invoice. A system such as this, in a large organisation, could replace an entire team of accounts-receivable clerks, retaining a select few to manage exceptions and provide social value (Tsai and Ghoshal 1998).

This would be one example of a back-office process re-engineering. If every competitor within the same industry pushed costs down by re-engineering processes or labour with more efficient and effective technology, either at the operational or revenue points, this would lower costs across the specific industry market, enhancing value in the marketplace.

## **2.2 Research Direction**

Several concepts render value relevant to the political economy and represent a dynamic force within a business itself. Current systems promote value as an auxiliary function, un-integrated and falling somewhere between the development of value-creating strategies by the business sector and heterogeneous praxis within organisations. Where such divisions exist, outcomes relating to value will inevitably be unclear. To address this, organisations must drive value generation as a comprehensive and homogeneous mechanism embedded across the entire organisation. Businesses need to promote a relationship between use-value in their products and services *per se*, and the exchange value assigned to these same products or services once delivered to markets, consumers and, for that matter, shareholders.

In their aptly named book, *“Managing and Working in Project Society: Institutional Challenges of Temporary Organi[s]ations”* (2017), Lundin et al. argue that “[institutions are being] transformed [from an] industrial society to a project society” (p.15). They make a case that agents within these capital-coordinated institutions are temporary, with impermanent office and work locations and a limited period to

achieve strategic, financial, product and operational goals. Even with this impermanency, organisations still strengthen corporate structures (matrix or delineated); they have a strategic direction that is both outward and goal-orientated, and they make the best and most informed decisions through good governance. The organisation's maturity depends on its capability to manage, transfer and act on information, implement and control operational processes, and influence the behaviour of those agents within the organisation. Such qualities and behaviours influence an organisation's position on an industry maturity scale—a benchmark that evaluates the managing and execution of routine and non-routine tasks. Lundin et al. (2017) argue that project management is a new frontier providing insight into ways of working in competitive enterprises and coordinating institutions. Specifically, the challenge is that of adapting traditional tasks and functions to function in a temporary organisation, identifying the ones which transcend common organisational and institutional structures for contribution in a provisional time/space existence.

Rather than exploring value and its relationship to the wider organisation, it is proposed that research be focused upon formulating value in the context of a temporary organisation (a project). One might begin by considering the facets of a temporary organisation which could be value-generating agencies. In a recent and timely journal article, Laursen and Svejvig (2015) offer a broad characterisation of value, outlining the realisation of value through the agencies of programme- and project management. In their analysis, several questions on the topic of programme- and project value must be addressed to maintain momentum. These authors offer

new views on defining value within the agencies of programme/project management and organisational management. It is worth reflecting on the empirical characterisation that they and others have presented before attempting a final question.

In respect to organisational management, Laursen and Svejvig relied on the theoretical definition of value provided by Bowman and Ambrosini (2000), as discussed earlier in this chapter. This is because the definition of value is difficult to apply to the breadth and depth of both the organisation and the economy. Equally, Laursen and Svejvig (2015) broadly define project value as “benefits/costs” (p.737). Again, while this literature review does not deny this is a correct definition, it is too broad for a temporary organisation’s nature. In defence of Laursen and Svejvig, their review does go on to analyse the varying value categories and their importance to certain project genres. Although their analysis provides a rational view of value for project standards, one may argue that it simply provides categorisations rather than well-defined and structured definitions based on use-value or exchange-value theory. Laursen and Svejvig (2015) propose four future directions. These suggest 1) further research around reduction of cost; 2) creation of value in supply chains; 3) “an operational focus towards projects and strategy linked in a holistic approach” (p.744), and 4) the creation of project value theory. The one that resonates most with this study is the third. In this approach, Laursen and Svejvig argue that strategy, and the portfolio of projects, are espoused universally within an organisation and that value is derived through careful selection of projects individually aligned to the

organisation's strategic vision. This concept might be achieved by promoting optimal governance structures or management practices striving to promulgate maturity within an organisation and generate value.

If the operational focus described by Laursen and Svejvig can generate value, then there are likely to be implications when evaluating a temporary organisation. The beginning of this chapter asked: What are the Influences of Management Practices in the Temporary Organisation, and their effect on Value? This being the primary question, how can value be assessed in the dynamic environment of a temporary organisation which has the objective of creating it?

A prime purpose of these questions is to explore key value-creating facets, especially ways in which management practices in a temporary organisation—intentionally or unintentionally—promote value. It would be useful to determine the extent to which value is affected by its level of maturity, its governance system and resulting behaviours, or the alignment of these facets to core theories of value. Implications for the parent entity lead the way as key interest points.

### **2.3 Chapter Summary and Framework**

Several theories about the origins and sources of value have been evaluated, namely value 'in use' (marginal utility) and 'exchange', both within the market and in organisations. However, the core theory remains vague and fragmented, resulting in difficulty when attempting to form a coherent framework about value. Furthermore, there appears to be no dominant theory: every academician or theorist seems to have a preferred viewpoint on the idea of value. For example, Marx's theory is in

direct opposition, in terms of the “socially necessary labour time” (Heinrich, 2012, p. 43), to Porter’s basic premises about that which a consumer will pay for goods and/or services. Reconciling the two on the meaning of value remains a challenge. One starting point might be to consider them as complementary, however superficial this might seem. It would be fair to argue that some of the more robust ideas of value and the way in which it actually does emerge, both within an organisation and within the market, lies within the broad concept of labour. However, various writers—Smith, Jevons, Ricardo, Garegnani (1984), Sieber (2001), Marx—while regarding labour as its source, disagree over the existential nature of value. Marx makes the most reasoned argument, that value is created by reducing the time to produce goods and services and selling them onwards as part of an industrial process either for the same cost or more. However, there are gaps in his argument (Böhm-Bawerk 1896; cited in Sinha 2010) since from a socialist perspective “profit rate equilibrium is only possible in the case of uniform capital intensity or zero profit” (Fröhlich, 2013, p. 1).

In considering the ways in which value emerges through the ‘use’ and ‘exchange’ mechanism, innovation and social value themselves become important properties in aiding these industrial and consumer processes. Prahalad and Ramaswamy (2004), as well as Tsai and Ghoshal (1998), acknowledge that value can emerge within the organisation but that, for this to happen, innovation is also essential. Neither of these research teams presents an account of the sources of original value i.e. “socially necessary labour time” (Heinrich, 2012, p. 43) or the relationship between prices and

labour (Smith, 1776; Ricardo, 1817). In their view, organisations need to innovate successfully through new products and improved ways of proceeding (organisational processes). Central to this maxim is the need for organisations to recognise and promote a use-value attributed to innovation. Equally, organisations must influence, and engage more thoroughly with, key stakeholders and consumers (Holm Blankenburg et al., 1999) in the effort to promote the value-realisation process.

To the extent that this literature view has identified certain gaps between practice and theory, a framework-model may be useful to bring to the attention of the practitioner the elements of a value-generating temporary organisation. The example below aims to highlight the constructive benefits of this literature review by drawing together its theoretical foundations to serve as pre-requisites, allowing the practitioner to identify potential corollaries in the building of an effective, value-generating temporary organisation.



## The Temporary Organisation

The temporary organisation proclaims that its ethos exceeds that of a vehicle for delivering outcomes. (Lundin *et al.*, 2017).

By adopting fundamental principles, it acquires far greater potential than a project management function, and extends beyond the business jurisdiction to bring about greater socio-economic benefits. (Lundin *et al.*, 2017)

A capacity for exploring the nexus between management practices and value further legitimises the temporary organisation

## Social Value

The parent organisation realises social value as unique and highly specific working relationships amongst staff emerge directly from the temporary organisation's efforts.

Social value is created from implementing the temporary organisation, manifesting itself in the wider socio-economic environment.

## Labour Value

Coordinating labour through change or by dividing it, may influence profit and its distribution across the micro and macro economic environments.

## Value-in-Use

Although at inception the cost element prevails in importance, other unexpected benefits arise from synergy with the parent entity.

**Table 1 Theoretical Framework**

## **3.0 Methodology**

### **3.1 Introduction to Research Methodology**

This chapter commences by outlining the research paradigm, which is critical to determining the researcher's assumptions. It also discusses the method selected and the reasons for that selection, together with practices for managing bias and processing data.

### **3.2 Research Paradigm**

Various paradigms lend themselves to both novice and expert researchers in the field of management research. Further, they help explain and legitimise the researchers' assumptions regarding the acquisition, transfer and ultimate pursuit of knowledge. In Morgan and Burrell's (1979) outline of four such paradigms, labelled "radical humanist [...], radical structuralist [...], interpretive [and] functionalist", it is suggested "[that each researcher] can firmly imbed into one of the four according to [his or her own] assumptions" (p.22). Other paradigms include "critical postmodernism" (p.457), "post positivism" (Rynes and Jr, 2008, p. 456), "critical realism [... and] pragmatism" (Thornhill, Saunders and Lewis, 2007, pp. 136–137). Morgan and Burrell (1979) argue that the four they describe constitute an entity unto itself, bounded by the researchers' assumptions about knowledge. A researcher's assumptions are also influenced by one of "two opposing extremes" (Thornhill, Saunders and Lewis, 2007, p. 128): subjectivism or objectivism. This juxtaposition helps to frame reality in terms

of “socially constructed” (p.131), or objectivist principles, which “treat human beings as machines, or biological organisations and [that] regard social structure as if it were a physical structure” (Morgan and Burrell, 1979, p. 102). Cunliffe (2011) argued that such poles on the subjectivism-objectivism continuum are less relevant in today’s management research because they are intertwined, or they interchange from one extreme into another, thus creating a dichotomy. However, in the present work, assumptions on knowledge and the nature of reality appear on the fringe of highly subjective consciousness. When positing basic assumptions, these logically fit within an accepted paradigm, prompting the rejection of alternatives that potentially offer a different viewpoint.

### **3.2.1 Ontology: The nature of reality**

Exploring the relationship between value and the temporary organisation is one objective of this research. I argue that the temporary organisation, an organisation within an organisation, transcends trade and commerce’s physical nature. The temporary organisation may exist within a physical setting, involving the emergence of physical products such as oil and gas, or it may deliver outcomes (intentional or not) that are incorporeal, including culture change programmes. Unintentional outcomes of implementing a temporary organisation may result in myths that are invisible to the naked eye but may exist in our consciousness (Morgan and Burrell, 1979, p. 31). There are elements of these maxims which are independent of the mind, being socially constructed. How do I make sense of these poles?

My ontological assumptions involve connecting actions to outcomes. Whilst my dominant belief is that the world is socially constructed, the world is also linked to, or confirmed by, objects that are outcome-based. I frequently adapt and revise that meaning between my assumptions and the environment around me, influenced by other actors within the same environment that I also occupy. Internally, organisations are like a collection of roadmaps, each of which is released by a different publisher. Employees in organisations all seem to have their personal views on how to arrive at the destination but cannot agree jointly on whose map is better. Meaning unfolds when each employee attempts to reach the final destination using a preferred map or personal, pre-existing knowledge about doing so. However, the reality is augmented when other employees discover more straightforward and more efficient ways of reaching the intended destination, resulting in shared meaning and reaching an agreement as to the best means of undertaking the journey. The iterative relationship between action and outcomes results in praxis, as Denzin and Lincoln (2003) describe. In my view of the nature of reality, organisations emulate the allegory above in which meaning is shared based on the “continual interaction between people and the environment” (p.147).

As processes of interrelated actions (Cunliffe, 2011), one may encounter reality as having physical dimensions, including markets, processes and systems. Just as importantly, reality emerges as a structure involving two or more people in the organisation. This structure might occur through routines, language, and meanings (Cunliffe, 2011); however, a key characteristic is that it is enacted and practised as a

lived-in physical experience. Most importantly, the reality is altered to fit the environment.

### 3.2.2 Epistemology: The Theory of Knowledge

The next set of assumptions within this paradigm is epistemology. Morgan and Burrell (1979) discuss how knowledge is obtained, questioning the nature of truth or fallacy.

They claim:

*These are assumptions about the grounds of knowledge communicated as knowledge to fellow human beings. These assumptions entail ideas, for example, about what forms of knowledge can be obtained, and how one can sort out what is to be regarded as 'true' from what is to be regarded as 'false'. Indeed, this dichotomy of 'true' and 'false' itself presupposes a certain epistemological stance. It is predicated upon a view of the nature of knowledge itself: whether, for example, it is possible to identify and communicate the nature of knowledge as being hard, real and capable of being transmitted in tangible form, or whether 'knowledge' is of a softer, more subjective, spiritual or even transcendental kind, based on experience and insight of a unique and essentially personal nature. The epistemological assumptions in these instances determine extreme positions on the issue of whether knowledge is something which can be acquired on the one hand, or is something which has to be personally experienced on the other. (pp.1-2)*

One view is that knowledge can be acquired through experience and action (Brinkmann and Tanggaard [Dewey], 2010). These authors argue that “knowledge—

if it is to deserve the term knowledge—must have some connection with practical action. We should only count something as knowledge if it enables us to make a fruitful difference to human experience” (p.245). Whilst this basic assumption may hold between experience and act, Brinkmann and Tanggaard (2010) argue that reflectivity is also an applied approach towards even the most esoteric forms of theory. This tool enables us to consider, understand and process ideas, thereby “forc[e]ing us to step back from our immediate engagement in the world and develop ... thoughts and theories that must be tested in practice to see if they can solve the problem for us” (p. 245).

Whilst these assumptions regarding experience and action may provide clues as to how I acquire knowledge, the other important question relates to truth. Peirce (1878) puts forward this aphorism:

Consider what effects that might [...] have practical bearings we conceive the object of our conception to have: then, our conception of those effects is the whole of our conceptions of the object. (P.6).

The assumption that I make about truth is not too dissimilar from the allegory I present above. Truth can only be discovered through a cycle of actions and experience. Peirce (1878) summarises this process well:

*First, it is something that we are aware of; second, it appeases the irritation of doubt; and, third, it involves the establishment in our nature of a rule of action, or, say for short, a habit. As it appeases the irritation of doubt, which is the motive for thinking. (p.4)*

I believe that the act of qualifying truth in this way provides us with a greater scope than confining ourselves to the subjective/objective dichotomy. By discovering truth and knowledge through experimentation, it more readily becomes socially accepted. However, as Thomhill et al. (2007) articulate, pragmatism attempts to reconcile this dichotomy, a dominant philosophical paradigm for this thesis. Pragmatism promotes an “emphasis on practical solutions and outcomes” (Thornhill et al., 2007). One may argue that this research initiative begins with a problem, while another may contend that it is simply a research study rather than a leap into abstract issues. In summary, the approach adopted is to examine management practices with the temporary organisation and relate them to theoretical concepts and views.

An abductive approach to verifying logic has been taken to permit probing between alternative explanations (Thomhill et al. 2007) originating from existing theory, data and other sources, in preference to contributing to practice.

### **3.2.3 Research Method: Case Study**

The case-study method has been selected for this research primarily for its practical application. After consideration of other research methods, it was selected for its real-life approach to examining enterprises. Secondly, in the context of a business doctorate, the method is well-adapted to its commercial/ industrial foundation.

Because of its practical approach, Yin (2012), stresses that the case study method is ideally suited to evaluate processes within organisations (2012) or assess change programmes. However, he also argues that it has been unfairly placed into the ‘too

hard basket' and assigned to the 'qualitative' research methods corner because, as Miles (1979) asserts, case-study campaigns are onerous and time-consuming. Despite this, they offer benefits, chiefly as a practical and relevant approach when trying to understand organisations (Yin, 2012) and strategy (Manuel et al., 2011).

It is helpful as a starting point to better understand the adoption of the case-study method by researchers and to recognise its benefits and drawbacks. Gibbert et al. (2008) and Eisenhardt (1989) both assert that the major flaw of case-study methodology emerges from lack of rigour. They claim there are latency issues when applying case-study methods—that is, problems do not surface until the late stages of research projects, leading to major revisions of the research or its abandonment. Other methodologies may have identified the flaws (in terms of rigour) earlier, or determined whether the research project was worth pursuing in the first place (Manuel et al., 2011, p. 2). The present work is empirical and, as Rowley (2002) points out, one weakness of case-study methodology—internal validity—does not apply to empirical research. Modell (2005) stresses that the relationship between the dataset and the framework of the research undertaken is both recognised and managed so that these, in part, are mitigation strategies to reinforce internal validity. Aside from possible lack of rigour and the need for assurance of internal validity, a third accepted the weakness of the case-study method is external validity (Tellis, 1997; Rowley, 2002; Riege, 2003; Modell, 2005; Lichtenstein et al., 2006; Yin, 2012), the ability to generalise any findings through replication of results (Rowley, 2002). There is increasing acceptance, however, that “analytical generalis[s]ation based on close



iterations between existing and emerging theory and empirical data” (p.234) can ensure achievement of external validity. The last issue concerns repeatability—confidence in the ability to arrive at the same conclusions if the study is repeated in the same way as the original study (Mariotto et al. 2014). These issues are essential in managing case-study research; some are relevant to the case-study design, and others less so.

In the *Administrative Science Quarterly* journal, Yin (1981) responded to criticisms by Miles (1979), who mounted an argument against the case-study method. The dominant criticism is that case-study methodology is too onerous. Yin's reply emphasises the contributions to knowledge that both organisational and other interdisciplinary subjects have enjoyed by implementing case studies, although he does not deny the sometimes-difficult work demanded; however, the effectiveness obtained through correct understanding and management of this method, together with the selection of appropriate tools, may mitigate the inefficiencies and overheads which it entails.

In addressing these specific issues, Yin makes the following suggestions when managing case studies. Firstly, the approach to ‘note taking’ is often chaotic, obscure and indecipherable. The use of a cluster system is recommended to overcome this weakness. According to schematic themes, the cluster system organises narratives into groups that align with the overall research arena (Yin, 1981). Yin advocates that since there are qualitative and quantitative data panels for the same category or research theme, interweaving the two disciplines will provide a richer analysis and

reduce the need to examine data as separate panels. He notes that a small sample size sometimes leads to incomplete answers to the research question, with the researcher obliged to decide its applicability to the research. Cross-case study rules do not always permit the research to compare datasets and then draw generalisations. Yin asserts that two conditions are necessary: firstly, there must be a persuasive case to do this, and, secondly, a critical mass of case studies must be available. Tsang (2014) comes from a different angle on the rules of generalising cross-case studies. He refutes the arguments of Eisenhardt (1989) and Yin (1981) on generalisability. Instead, he argues “[that] case studies have merits over quantitative methods in terms of generalizing to theory, identifying contradictions, and providing useful information for assessing the empirical generalisability of results” (p.379).

### **3.3 Case-study design**

Drawing on these assertions, the framework presented by Yin was enacted for deciding the case-study structure (2012). The approach to accommodating single or multiple cases is essentially a function of the number of organisations involved (Yin, 2012). Describing any case study as a unique occurrence, he notes that each one can be about a “common or everyday [occurrence]” (p.7). Thus, the distinctive characteristics and visions displayed by the two organisations being considered led naturally to a two-case-study approach. This is in line with Yin's (2012) description of multiple contexts, “case[s] bounded by person[s], organisation[s] or other social phenomen[a]” (p.6), in the event two organisations which operate in different vertical sectors and have different goals.

### 3.4 Unit of Analysis

Further to this reasoning, on the basis that each case study is being undertaken separately, the unit of analysis for this thesis is the temporary organisation. This approach will allow to identify the point at which the two case studies converge to permit the determination of distinct qualities. The two organisations are discussed in the next section regarding their configuration, and the unique methods employed by each to achieve its targets.

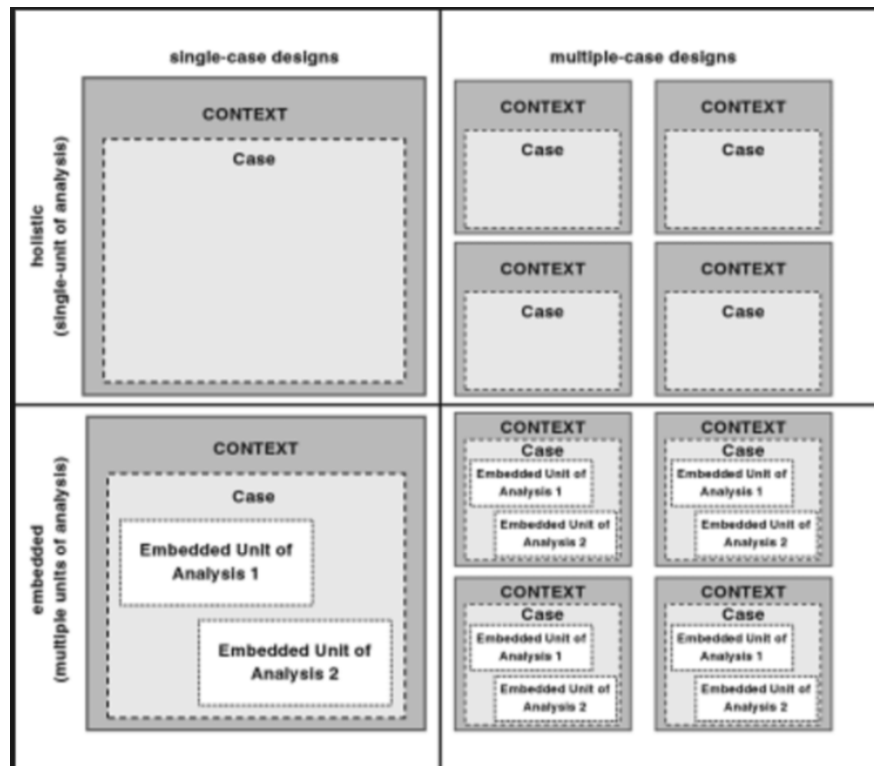


Figure 3 Basic Case Study Design (Yin 2012, p.8)

### **3.5 Case-study methodology**

A prime source of data for the resulting narrative consists of open-ended interviews as well as archival records (Yin, 2012). Although data from two origins has the partial benefit of triangulating from multiple sources (Mathison, 1988; Patton, 1999; Modell, 2005; Yin, 2012), an overriding limitation is that change programmes are notoriously chaotic (Bamford and Daniel, 2005), a factor which complicates research even under ideal conditions. Semi-structured interviews, however, offer compensating scope for managing chaos compared with other methods (Barriball and While, 1994). Crafting questions and exploring themes that are relevant to the research environment (Barriball and While, 1994) offers the ability to consider rival explanations (Patton, 1999) and explore in depth themes that are relevant to the case study (Adams, 2015).

### **3.6 The scope of the organisations**

#### **3.6.1 Introducing the temporary organisations**

The scope of this work is to explore the evolution of each of two temporary organisations, one delivering change and the other undergoing change. To preserve a specific focal point, the functional range of this research effort excludes human resources, operations, or finance aspects.

#### **3.6.2 Background of each temporary organisation**

It became evident that, in delivering significant change to the wider business, each temporary organisation was itself going through its own change.

In the instance of Company A, a temporary organisation—designated Temporary Organisation One—created for the rollout of an IT solution became the instrument for achieving organisational change. Company A, a major brownfield consultancy services entity, had grown exponentially through acquisition. However, many of the businesses it had acquired were never fully integrated into its holdings. The resulting insufficiency of oversight and lack of clarity in evaluating these businesses' financial performance presented a mandate for wholesale reshaping. The goal was to introduce consistent reporting structures within a work environment that allowed senior management to mitigate risks by checking critical business performance in near real-time. This goal would be achieved by streamlining the overall structure of the parent entity while making processes more efficient.

The second temporary organisation—designated Temporary Organisation Two—was created inside Airbus, a publicly listed pan-European company whose core business is the manufacture of defence and commercial aircraft. A project-based organisation according to Lundin *et al.* (2017), Airbus has a presence in Saudi Arabia to reinforce defence capability for the Ministry of Defence (MOD), which is a proxy for the Saudi Arabian National Guard. For the last two calendar years (2018 and 2019) of a ten-year contract held by the parent entity, the temporary organisation was assigned to design and install a telecommunications network, amongst other capabilities, for its client. This section explores Airbus's management practices, specifically those of the core delivery team, working from the premise that value requires the necessary mechanisms to emerge successfully. Since the desired result would have been

difficult to expect from a temporary organisation without optimal management practices, structure or knowledge, the focus of this analysis is the appropriateness of management practices within the Airbus delivery team that constituted it.

### **3.7 Data management**

An underlying assumption of this research is that value and management practices, because of their collective nature, can be neither fully quantitative nor qualitative. Case-study methodology facilitates thorough analysis of key practices which are then contrasted to theory, a technique that engages with and underscores this researcher's paradigm. This technique, which neither applies mixed-methods nor adopts an extreme polemic discipline (qualitative or quantitative), permits the development of road maps across various data terrains, contextualising findings in an immersive way. With interviewee transcripts as the prime data stream, context is reinforced by industry knowledge and on-site observation, backed by archival and theory sources.

Another noteworthy aspect of the analysis is that it examines two temporary organisations at different stages in delivering their commercial and mandated objectives. Although time was precious for interviewees in all settings, heightened sensitivity to employee availability was required for Temporary Organisation One. Smaller in scope and personnel, its sample size necessitated greater care when interviewing in support of this research. In terms of similarities to one another, Temporary Organisation One delivered change under the shield of Company A's sponsorship, while Temporary Organisation Two underwent its own change in the

course of providing a secure telecommunications network to a defence customer. In these two temporary organisations, the analysis of selected management practices was central to determining the proclivity of each to influence, and be influenced by, the multi-faceted nature of value.

Since the scope of either temporary organisation tends to be limited in breadth and depth, it could be visualised as a virtual company, meaning that it only operates within a structure. However, the two temporary organisations being researched are in a more mature state than isolated autonomous entities. Both temporary organisations were endowed with controls that could measure progress and counteract risks, with a requirement to meet basic standards with regard to quality assurance, planning and architectural norms, and ISO compliance. At a minimum, both also had minimum governance levels that addressed any constitutional difficulty. This being so, the scope of each temporary organisation was able to remain narrow in definition, with essential objectives to deliver, staffed as it was with senior leadership and critical support personnel. Functional departments on its periphery, such as finance, procurement, and commercial, provided bespoke expertise to the temporary organisation in the achievement of its mandate.

### **3.8 The nature of the interviewee**

Diefenbach (2009) recommends that the researcher “[clearly] describe ... persons interviewed, [noting] their status, to limit the findings and conclusions to these particular worldviews, which are only a certain part of social reality, and put them into perspective” (p.880). In 2016, the composite structure of Temporary

Organisation One's team consisted of ten people, primarily made up of contingent labour. They were responsible for delivering objectives as experts in ERP<sup>2</sup> systems and organisational change. The mandate given by Company A's leaders was to re-engineer and integrate businesses while streamlining processes in departments such as finance, procurement, and commercial. A more widely accepted notion of organisational change is one implemented by HRM<sup>3</sup>, which centres on changing leadership, culture and reporting structures, and is distinctly different from that analysed in this research.

Of the ten people, three from the temporary organisation were appointed to this research. These interviewees were both experts in their field and reported to the programme director. The vast majority of those working in Temporary Organisation One were engaged widely throughout Company A's footprint. Still, in view of the restricted sample size, the researcher could analyse only a limited number of management practices and standards. Fortunately, a spread of relevant specialties presented itself, beginning with an ERP solution architect whose experience lies in developing efficient business-based solutions. The interviewee's role required him to engage departmental heads in appropriating the optimum technical solution, in

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<sup>2</sup> Enterprise Resource Planning Systems

<sup>3</sup> Human Resource Management



response to targeted benefits defined by the business (dissimilar to value theory). The second person interviewed was the change manager, responsible for promoting change throughout the company, managing key risks, and preparing the post-change environment. Significantly, through proximity with department heads, the interviewee was made aware of the impact of job losses on staff morale. The final interviewee was the programme management officer, whose job was to establish controls within the temporary organisation, monitor key risks and manage cost control while reinforcing the sponsorship team in data analysis and reporting. These three persons were knowledgeable not only in their subject but also in regard to the standards (attitudes, knowledge, strategy) and controls (governance) essential to the delivery of their objectives, as discussed in the 'research direction' section of Chapter One. The interviews were structured to allow interviewees to consider their role, their relationship to value creation, and the management practices prevalent within the temporary organisation boundaries.

Temporary Organisation Two—broader in scope, resources, and complexity than Temporary Organisation One—comprised fourteen senior personnel, several of whom led teams of significant size highly visible across the delivery portfolio. All reported either directly or indirectly to the Programme Director, thus forming the temporary organisation's core team. Each led a project of his own or oversaw a

principal function (such as network design, or PMO<sup>4</sup>), which promoted project delivery. Of Airbus's total headcount size for this Saudi Arabian project, around five hundred, the majority came under these senior leaders' authority. While the researcher interviewed all fourteen managers, the narrow and immersive approach adopted in this research meant a select number of management practice nodes in NVivo were identified to permit comparison with existing management and value theory. There is other substantial evidence, either unrelated or unidentified within the data panels, which a future researcher may find useful in carrying forward. For both temporary organisations, a total of thirty hours of interview data was collected and coded, although the researcher analysed only chosen-for-purpose data that reflects both the degree—an industrial one—and that of the researcher's workplace. The approach to the analysis is discussed below.

This research used other evidence such as that suggested by Creswell and Miller (2000) who propose that, where the primary data lacks information to facilitate analysis, a case study can use various data sets such as industry or market data to highlight an existing relationship, as well to rely on existing theory. However, the idea that value has any ties to management practices, or even that its emergence can be open to influence, is only considered plausible if the management practices and

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<sup>4</sup> Project Management Office

standards are legitimate. Therefore, in pursuit of identifying value, the proof that the management practices were authentic becomes essential in delivering outcomes either to the customer or the sponsor. Once recognising their legitimacy, the task was transformed into that of finding the effect on value. Case-study protocol (see appendices) was primarily used as an interview roadmap for Temporary Organisation One but was also adopted for Temporary Organisation Two. Not all questions outlined were asked and not all questions asked were written down in the protocol; after all, part of the approach was that interviews were semi-structured. However, as this research continued to grow, the protocol became less critical, with the focus shifting to the researcher's own experience within the organisation and emerging awareness of management practices and, to a lesser degree, theory.

### **3.9 Managing bias**

My relationship with the interviewees and the organisation is that of a former work colleague and active researcher, one which raises questions in terms of potential bias. How does the researcher's background shape the data and its quality characteristics as an outcome of the research? The design is not configured to achieve generalisability (Rowley, 2002) or triangulation of units of analysis (Jick, 1979; Mathison, 1988; Patton, 1999; Modell, 2005; Yin, 2012). Genuine triangulation is an almost utopian aspiration and unlikely to be achievable in this instance. An alternative possibility was for the researcher to seek explanations for interviewees' responses or units of analysis (Patton, 1999). Rather than triangulation, the most fertile ground becomes the contemplation of rich relationships between two data

points, comparing and contrasting them while endeavouring to understand their meaning (Creswell and Miller, 2000).

While the above approaches may be acceptable for some studies, they may not be sufficiently robust, given the researcher's existing relationship to the business and participants. As a potential solution, Creswell and Miller (2000) offer a paradigm that researchers may adopt when conducting research, with the validation assumption that evokes “[p]rolonged engagement in the field” (p.127). They argue that “[b]eing in the field over time solidifies evidence because researchers can check out the data and their hunches, compar[ing] interview data with observational data” (p.128).

While they do not describe the rules governing this validity procedure, the researchers offer an empirical and practical response to bias issues. The current engagement was two and a half years in Temporary Organisation One, and three and a half years in Temporary Organisation Two; that is, the aggregate time between organisations was six years with the data collected in the final delivery stages. Being engaged in both organisations has allowed the researcher of this thesis to become fully engaged in each environment in an effort to exclude bias and disinformation from entering the body of this work.

### **3.10 Ethical considerations**

Before commencing the data collection stage, ethical considerations were taken into account, with research approval granted by directors of each organisation. Interviewees were given the opportunity to decline participating in this research and were reassured of prior authorisation by the respective directors to avoid any

insinuation of impropriety. Lastly, before commencing the interview, each participant was given an overview of the purpose of the research.

### **3.11 Chapter Summary**

In the knowledge that every method in business research has its weaknesses and strengths, in this instance, the case-study method was selected for its imitative qualities. This chapter has also outlined an approach towards managing some of the challenges faced throughout the research while recognising shortcomings inherent to the methodology developed.

## **4.0 Analysis of Data**

### **4.1 Introduction to the analysis of data**

While Eisenhardt and Graebner (2007) assert that there is no hard or fast rule when analysing data, a procedure for building and identifying management practices in the temporary organisation (TO) set out by Nowell et al. (2017) was found to fulfil many of the requirements of the present thesis. These researchers specify six phases to analysing data thematically. Accordingly, themes being considered here are outlined and discussed according to the six-phase process set out by Nowell et al (2017).

### **4.2 Thematic Phases Outline**

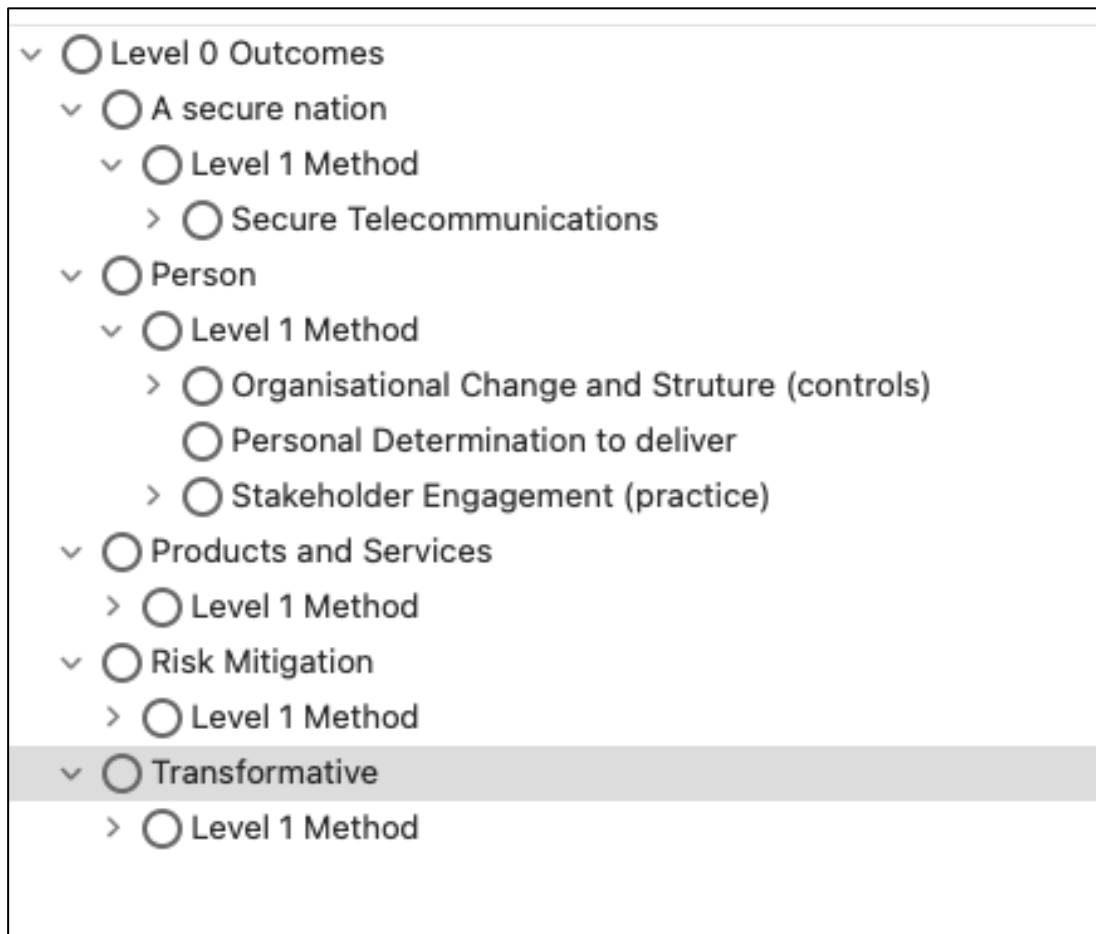
#### **4.2.1 Phase One: Data familiarisation**

In the initial phase, audio recordings of each interview were transcribed in the order of the interview. Please refer to appendices.

#### **4.2.2 Phase Two: Data coding**

The process of analysing each transcript enabled the researcher to assign provisional NVivo codes. While some narratives appear under multiple codes, the bulk of transcripts was able to be uniquely assigned. The approach to coding was hierarchical, meaning that codes were constrained to key headings representative of business functions, products or services. Thus, Level 0 denoted the outcome by which

that function was identified, representing the majority of codes; Level 1 provides information regarding the method by which that outcome was secured.



**Figure 4 NVivo Levels One & Two coding structure**

In the above screenshot for example, the Level 0 node is designated 'People', while the Level One node directly beneath it is designated 'Method'. All nodes are structured this way. Level One infers a method, or a technique—an instructional or functioning node—to carry out a people function or to drive products or services. Issues affecting a particular node, may prevent a function or objective from performing optimally.

Name	Files	References
∨ ○ Products and Services	0	0
∨ ○ Level 1 Method	0	0
∨ ○ Asset Building (the future state)	5	12
○ Adding Value to existing products	2	2
> ○ Asset Transition	1	4
> ○ Bespoke Solution	3	4
> ○ Future Delivery	2	2
○ Knowledge Transfer	1	2
○ Latent business benefits	1	1
> ○ Management Practices to deliver	1	1
∨ ○ Pre-Contract Delivery Method (Controlling Value)	1	1
> ○ Defining Requirements Unclearly	2	4
○ Developing a Conceptual Design	1	2
○ Poor quality workmanship resulting in additional cost	2	3
> ○ Pre-contract processes	0	0
○ Primary and Cross functional Deliveyr	2	2
○ Profit	5	10
> ○ Supply Chain	0	0
> ○ Value for Money (VFM) as a requirement	2	2
∨ ○ Risk Mitigation	0	0
∨ ○ Level 1 Method	0	0
○ Addressing skill gaps through education	1	1
○ Alternative turnkey solution to addressing supplier confl...	1	1
∨ ○ Commercial Management as an Internal Service	6	25
> ○ Contract Compliance and fulfilment	2	4

**Figure 5 Indicative themes**

As each transcript was coded and assigned to a node, or a new node was created, indicative themes began to emerge. The above screenshot demonstrates this, with the number of transcripts used, and references made. At a glance, nothing conclusive could be drawn simply by the volume of references made to one node. Inversely, discarding nodes due to low volumes of references could also prove detrimental. Therefore, a sense-making requirement prevailed, to help address the question of management practices and their influence on value.



### 4.2.3 Phase Three: Searching for themes

Using the proprietary software allowed the researcher to begin identifying themes, or grand narratives, that determined a certain management practice or concept. Interviews were not sequenced explicitly in terms of phase or subject, but rather with respect to the time and place that suited the interviewee. The researchers (2017) explain that using a framework or structure of this kind helps to establish reliability. Several methods can be used with NVivo for a sense of proportionality in probing management practices and value-related themes.

The matrix of codified themes below provides a view of corporate outcomes, with management practices or functions supporting those results shown successively. Data themes are reflective of the interviewees' specific knowledge and expertise. Other themes were classed as redundant either because the function they served operated cross-functionally (i.e. implying risk) or were too broad to support exploring the relationship between practice and value. A sample is framed in red, with component panels numbered. Themes are ranked according to relevance.

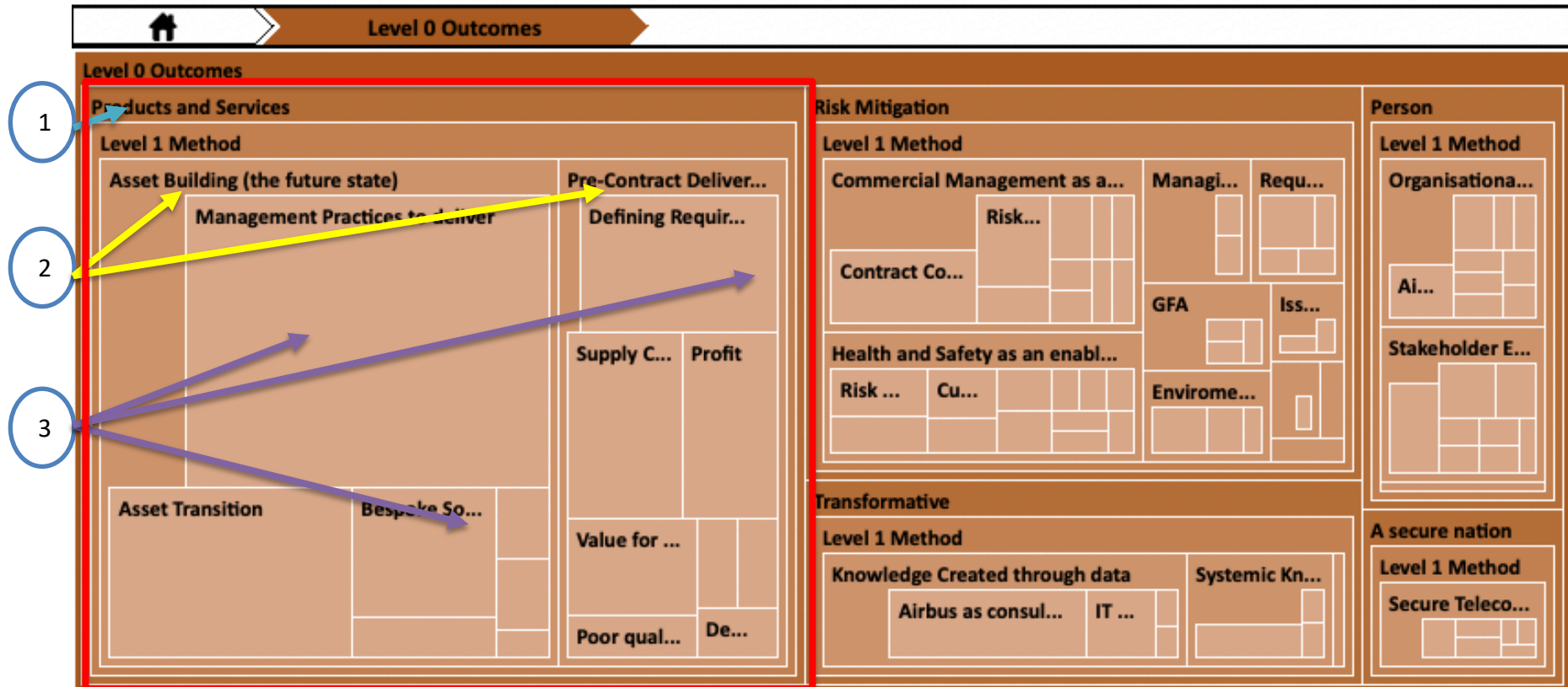


Figure 6 NVivo Search Matrix

The following table provides an explanation of the levels, and their function.

No.	Level	Description
1	Level One	Purpose
2	Level Two	Business requirement
3	Level Three	Management practice/function

**Table 2 Levels and their meaning**

#### 4.2.4 Phase Four: Reviewing Themes

By continually reviewing themes while simultaneously constraining coded text within the existing structure, the process limited duplication. Nowell et al. (2017) explained that there is “[a requirement to] review the coded data extracts for each theme to consider whether they appear to form a coherent pattern” (p.9). While the software provided visuals, the primary focus was to avoid a meaningless and confusing code structure as a result of theme-creep. This approach allowed the researcher to examine these data veins in an immersive and meaningful way, rather than superficially exploring the entire rank-and-file range of interviews. Existing narratives were either recoded, or declassified. Likewise, while there were instances where the same data appeared in multiple head-nodes - akin to a triangulation moment. This did not mean that each time the same data appeared under different themes; rather, it served to remove any misgivings about the coding method and confirm that the data was robust. Since nodes lacking relevance were re-categorised; this avoided any need for the researcher to shoehorn data into an existing coding structure, it was accepted that not all data was appropriate. This exercise resulted in “a more manageable set of significant themes that succinctly summarise the text” (p.10)

#### **4.2.5 Phase Five: Defining and naming themes**

Defining themes while coding their supportive sub-structure was a process instituted from the beginning to permit re-categorisation of existing nodes under different sub-tiers. By this means, dissonance between the top node and its substructure was eliminated.

Two concept abstracts resulted, representative of the analysis carried out. From right to left, each abstract shows coded data organised into lanes leading to a potential value-generating organisation. By notionally tracing each lane from right to left, a transition from coded data to value-generating potential is illustrated. Most, but not all coded data represented in the conceptual data analysis flow chart are clustered by management practice, organisational design, or knowledge management (See appendices)

Lane	Value Proposition	Managed Output/Capability	Attributed Management Practice	Management Requirement	Data Node (NVivo)
<b>Description</b>	Potential value creation proposition	Requirement by the business to produce outcomes.	To support the management requirement.	To assign a type of management requirement, not necessarily a directive, but maybe to support an initiative.	Coded data from NVivo. The appendices chapter refers to this data directly.
<b>Example (TO1) first line</b>	Effective TO that generates outcomes	Organisational Design (change management)	Knowledge management	Accountability to deliver requirements	(U) Stakeholder Engagement and Assigning authority
<b>Explanation to example</b>	Effective TO that may lead to creating value, such as an SSC	The objective here is to change the business, through effective design	Requires knowledge on subjects, or requires obtaining knowledge via stakeholders, particularly if the role is accountable to a business requirement	The requirement would be to transfer the accountability for decisions, to keep stakeholders informed, and to exercise the right judgment	To engage with stakeholders, and give authority over certain matters such as business requirements, or make tactical decisions



**Table 3 Guide to understanding the approach analysis**

4.2.5.1 Conceptual data analysis of Temporary Organisation One

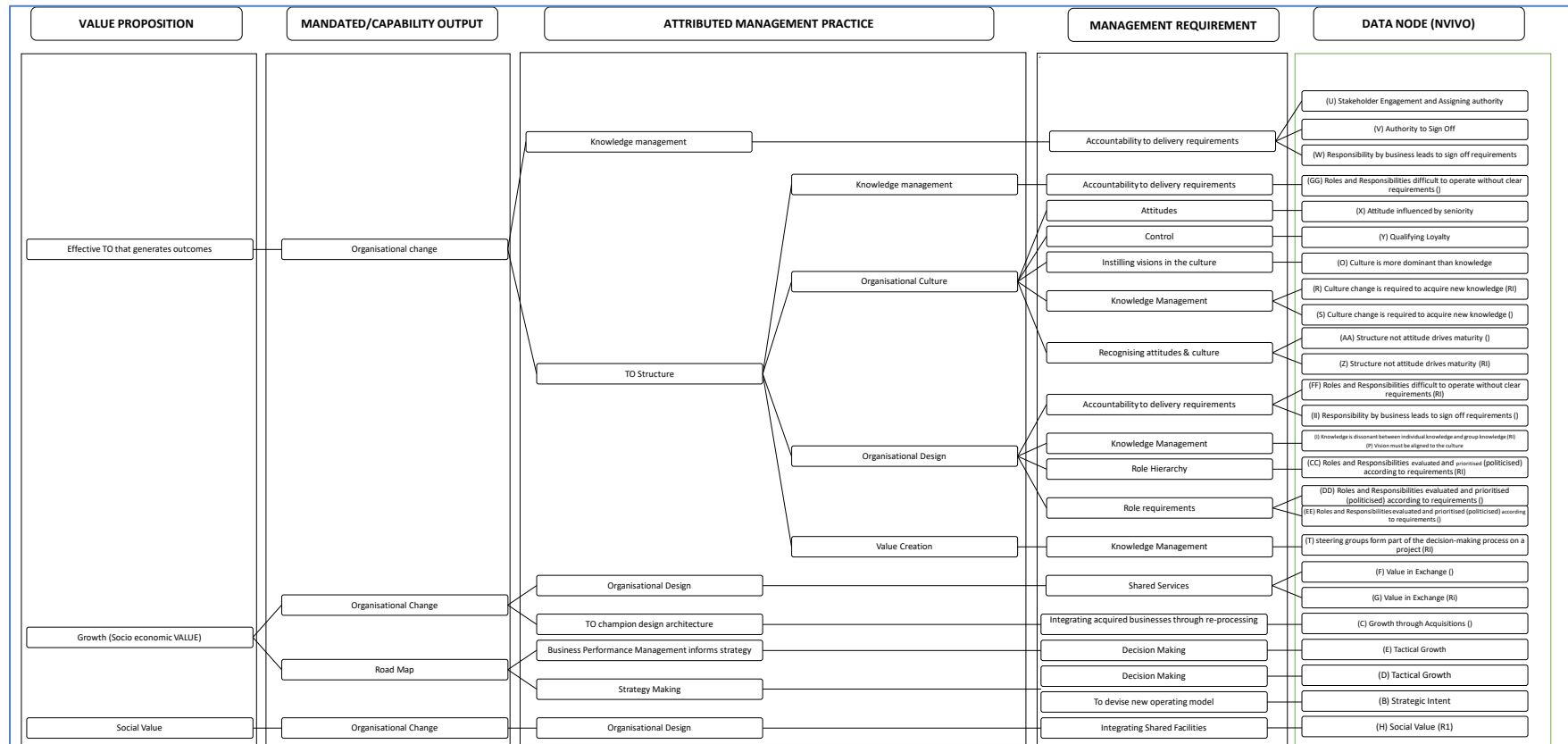


Figure 7 Conceptual Data Analysis for Organisation One

4.2.5.2 Conceptual data analysis of Temporary Organisation Two

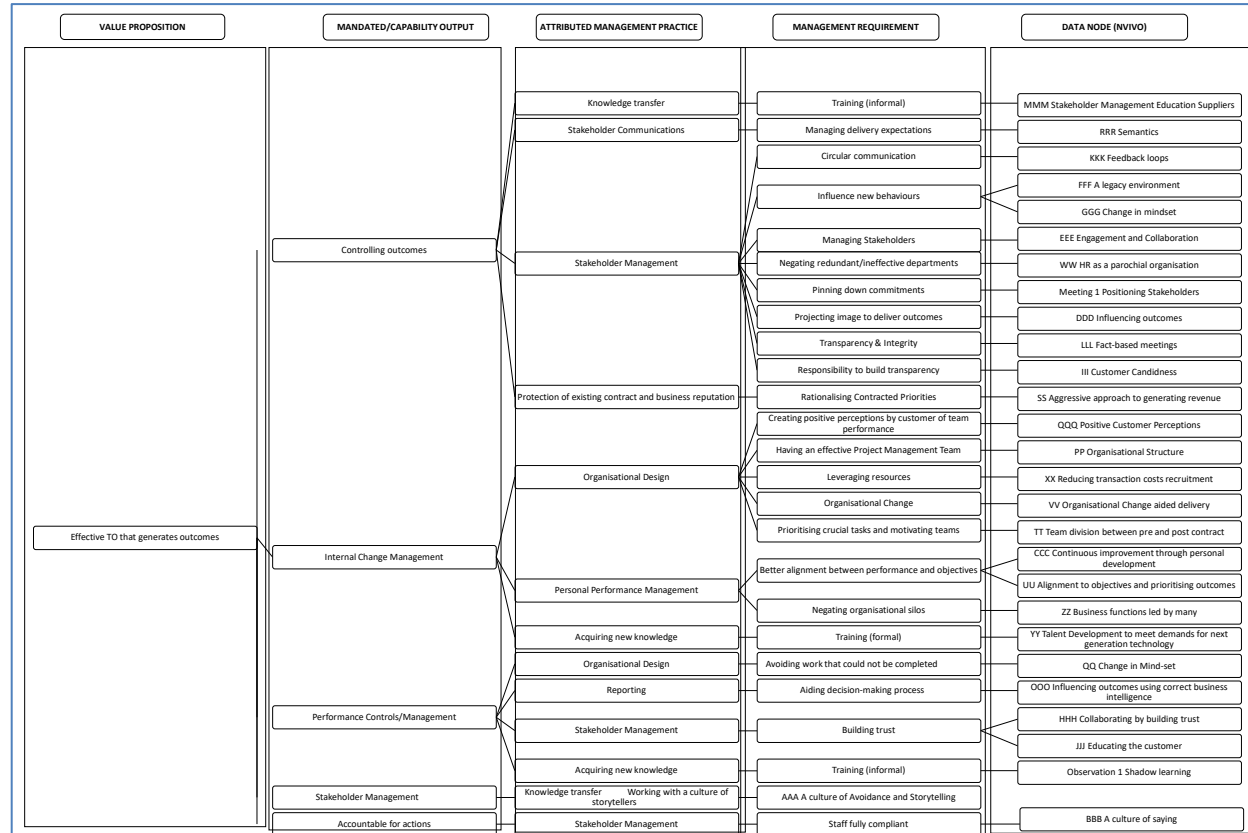


Figure 8 Conceptual Data Analysis for Organisation Two

#### **4.2.6 Phase Six: Producing the report**

In line with this research's direction, which centres around the temporary organisation's strategy and operations (Lundin and Soderholm, 1995), requires evaluating themes, which encompass strategy and cognitive behaviours that led to the creation of the report chapter below, in which such behaviours are examined. Producing a report, or anthology, allowed the researcher's attention to coalesce around codified data and check both its veracity and its significance. Thus, the Anthology (please refer to Section 5) uses some of the coded data to help make a point or support a view.

As distinct from other methodological forms, the data analysis techniques compatible with the case-study method, as well as the paradigms adopted, highlight its pertinence to pragmatic analysis of management practices within a temporary organisation, with emphasis on their potential to become agents of value creation.

#### **4.3 Concluding Summary**

The process of analysis provided the opportunity to organise the data collected, framing it into meta-themes. These were then used to contextualise each case study; where necessary, direct NVivo references were used to qualify claims or statements.



## **5.0 Anthology**

### **5.1 Introduction to Case Studies**

As per the Unit of Analysis, there are two case studies, each focused on a separate temporary organisation. These case studies examine distinct characteristics of the management practices deployed to help determine the effectiveness of a temporary organisation, and their relationship towards value.

### **5.2 Case Study One: Temporary Organisation One: Company 'A'**

#### **5.2.1 Introduction**

*This case study explores the temporary organisation's capability to deliver business change beginning with the concept that strategy applied as a management practice would realise value within the Brent crude industry and beyond. Company A is a consultancy firm associated with the exploration and extraction of Brent Crude Oil, but is not an oil producer itself; instead, it acts as both an independent support function and a knowledge expert to those extracting North Sea oil. One of several postulates of this research considers that the temporary organisation can influence Brent crude price by strategically coordinating labour in the new target operating model envisioned by Company A, which, in turn, affects company share prices. By strategically coordinating labour processes, Company A may realise surplus-value as either distributing profits or passing savings on to its customers in the form of reduced day-rates. The present research analyses this operating model and the distribution of any*

*profits (dividends) resulting, along with other management practices and their relationship to value.*

### **5.2.2 Value and the temporary organisation**

For the data-gathering sequence adopted, a short discussion with each candidate preceding an interview sought to establish whether a strategy for this temporary organisation exists and, if it does, to determine the basis for creating a coherent and reasoned strategic goal. It was deemed important to address this issue because of the degree to which strategy may affect the temporary organisation's direction in realising value. The evidence obtained suggests that the strategic objective was to acquire new businesses (A) while reducing costs by making operating processes more efficient (B). Less evident was the relationship between the strategy, the functioning of the temporary organisation (C) and the ways in which value-creating properties might form. From the interviews conducted, there was evidence of weakness in how decisions were made, as to whether Company A should integrate each business into its operating model once acquired.

Questions surfaced as to whether the parent entity's strategy remained driven strictly by profit through scalable operating efficiencies or by intentions of expanding the business. If the leadership aimed for market hegemony through a more efficient and integrated operating environment while simultaneously pursuing market and asset growth through acquisition, this was unevenly communicated. Ostensibly striving for nominal goals such as cost reduction, employees appeared to be unaware of the

overall intention, nor could they relate the meaning of these aims related to value-creating properties attributable to the functioning of the temporary organisation.

Evidence tendered using the term 'crush and rebuild kind of route' (C) suggested a perceived need to remove all the existing processes and policies of an acquired organisation and impose Company A's operating style. That is, the intention was to integrate the new business into Company A's operating model; it was thought that imposing exact operational processes and policy requirements achieves this, at least in part. It was further supposed that prescribing nonflexible strategic goals through a process of iteration to bring a business into the wider organisation achieves an environment consistent with its style of routinely executing its operations. At length, controls aimed at eradicating redundant or duplicate operating processes would materialise and, in so doing, standardise the way the business runs. Assuming strict compliance could be achieved, the enhanced discipline would provide Company A with greater corporate insight into each acquired business's performance and ensure more effective and responsive decision-making on issues affecting operations.

While Company A had achieved asset growth through multiple acquisitions, its leadership believed that other accomplishments, including sales growth (contract awards) (E), were critical to its revenue performance and demonstrated its internal capability. Company A takes part in joint ventures, many of them international in scale. The other contracting party needs the assurance and confidence that they can meet and deliver their contractual obligations, given that adequate infrastructure (IT systems and business processes) and policies are in place to underpin their commitments. Such assurance is essential given that the constant supply of oil from

wells is critical, with any disruption in the supply chain or delay to capital projects placing contracts at risk or affecting revenue. In the quest for reduced uncertainty, Company A opted for systems mature enough to manage complex information while mitigating risk by optimising supply chains. Thus, to ensure any acquired business either meets the needs of Company A's growth strategy or can further its commercial goals, a requirement arose during acquisitions—and the approach to their integration—that commercial and operational judgements specifically assist any joint venture. Reconciling the differences between an objective that determines the integration approach (C) and the vision that enables Company A to exercise flexibility (D) does not necessarily guarantee an integrated strategy. It may reveal insufficient unity between the acquisition goal, which seeks market and asset growth, and the integration goal, which seeks operating efficiencies. One could conclude that Company A approaches its strategic pathways of acquisition and integration in a flexible and adaptable way. Rather than hastening any decision to integrate, its leadership methodically weighs up which acquired businesses need to be integrated. This process is important because of the substantial time, money, and expertise required to undertake a 'crush and rebuild ... route' (C). As a culmination of this process, the project management team finalises decisions on its governance mechanisms, funding structure, processes, and strategy.

In the event that the temporary organisation's strategic objective was to create value through selective integration, one or more theories concerning value-creating properties may correlate with the strategic approach to integrating acquired businesses into the current operating environment. The next section examines the

temporary organisation's ability to realise value through exchange and labour processes as a strategic outcome.

#### Strategic Development, Labour Value and Exchange Value in the Temporary Organisation

Evidence (F) indicates that the temporary organisation never intended that the process of integrating acquired businesses into its operating environment should influence exchange value. The interviewee was asked if, simultaneously with a reduction of labour costs, there was an intention to influence the price per barrel of Brent crude oil. This question was intentionally asked as it correlated to ideas on exchange value. It cannot be said that simply adjusting labour hours through a process of achieving efficiencies spearheaded by a temporary organisation alone affects the exchange value between the units of labour and the current price per barrel. Instead, the interviewee suggested that the temporary organisation integrate a select number of acquired businesses to maintain or exceed existing productivity levels. According to this scheme, a shared-services facility (F) would centralise all essential business services, such as HR and accounting. Creating a shared-services centre with fewer people, lower wages and a lower cost base would achieve a more efficient processing environment requiring fewer units of labour to achieve the same outcome. Therefore, the question arises whether this model influences the exchange value between labour cost and the price of a barrel of oil. Moreover, if a critical mass of peer businesses followed suit, this may have affected the exchange relationship between the price of oil and its labour component.

Evidence (F) also suggests that competitors in the industry were trying a similar approach by centralising common business services. While the insight provided by Company A appears anecdotal, it may be indicative of wider enthusiasm by Brent crude producers to generate efficiencies in this way. However, it may not have been the parent entity's intention to promote greater competitiveness against its peers.

Focusing on demonstrating the temporary organisation's strategic influence on labour value reveals no direct evidence that its strategic goal was to make labour cost proportional to the time it takes to produce one barrel of crude. Likewise, there is no evidence that the parent entity ever considered socially necessary labour time (Marx, 1867, 1878, 1883) (SNLT) to influence the average production time per barrel and maintain existing volumes, despite reducing overall headcount. There appeared to be no willingness for using SNLT (Marx, 1867, 1878, 1883) to proportionally adjust the average labour time downwards to raise share prices or profit, although the unconscious actions on the part of Company A echo principles of SNLT (Marx, 1867, 1878, 1883).

However, evidence (F and G) does exist that, by restricting headcount via a shared-services centre (SSC), Company A aimed to protect profit against oil price volatility, in the process ensuring buoyant prices for its consultancy services. Currently, all Brent crude operators are subject to similar break-even points for making a profit. At the time of writing this section, with a market price of USD53.75 per barrel, it cost UK oil operators USD44.33 (Wall Street Journal, 2016) to produce one barrel of crude oil, giving a margin of USD9.42.

While no direct link exists between SNLT (Marx, 1867, 1878, 1883) and average production time per barrel, the key relationship remains between costs—by country—and profit (Wall Street Journal, 2016), dependent on labour as a variable cost. Company A's initiative to reduce headcount may imply that it regards labour cost as a cost component of Brent crude; that is, it may suggest an involuntary relationship between SNLT (Marx, 1867, 1878, 1883) and production time. Still, any interdependence with average industry time remains anecdotal because it is, quite simply, unknown how much labour time it takes Brent crude businesses to produce one barrel of crude oil.

There is further evidence that price—rather than production time—influenced Company A. If this was so, what role did the temporary organisation play in developing a strategy, and was this strategy influenced by labour value and its effect on profit and share price?

Interview data (H) confirms that the temporary organisation's role was to facilitate the move from a decentralised business model and integrate businesses acquired by Company A into its operating environment. By doing this, the temporary organisation aimed to reduce redundant tasks and eliminate any processes carried over by an acquired business that were incompatible with the shared-services vision. Creating an SSC with effective business processes and promoting ERP technology's efficacy minimised headcount while concurrently promoting the centre as a point to transact ordinary business tasks more quickly.

Although no quantitative link exists between the strategy developed by the temporary organisation and its outcomes, Company A's annual report (Company A 2017)

confirms that the changes to its operating environment coincided with its earning a profit in the years 2016–17, increasing dividends 10% to 0.33 pence per share over the previous year. While other properties, such as new contract awards or industrial labour processes, could have contributed, these results tend to indicate the temporary organisation’s effectiveness in contributing to strategic development. Equally, industrial labour processes may have influenced such outcomes which, in turn, had the potential to affect labour markets.

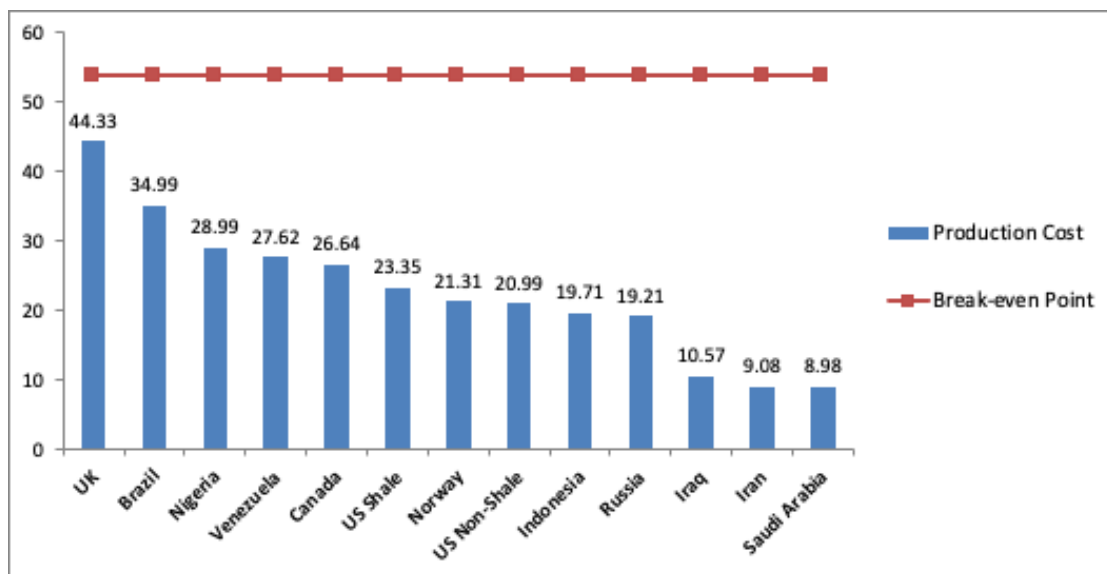


Figure 9 Cost of Producing Oil in USD barrel (Wall Street Journal, 2016)

### 5.2.2.1 Labour division strategies and the temporary organisation

While the temporary organisation may have been—in part—successful in the development of labour-value strategies, evidence (G) also suggests that it reconfigured labour assignments within its newly created SSC. Coordinating labour infers that the temporary organisation succeeded in developing strategies that provided benefits to the wider parts of society (Smith 1776) as well as delivering social



value (Holm Blankenburg et al. 1999) to Company A. The following section explores these properties of value as an outcome of the temporary organisation's ability to develop a strategy to optimise labour.

Based on a mandate to reduce labour costs, the SSC was set up in New Delhi, where they were lower than in the UK. Rather than further dividing business units within a decentralised environment, the temporary organisation merged headcount, resulting in fewer cost centres. Specialists from Company A's headquarters or regional centres were reassigned as consultants or as resources for 'more people-focused roles' (Post Interview Email A). Any remaining headcount was retrenched. Although the SSC added headcount locally, a net reduction of 18% resulted. Since the other purpose of the SSC was to achieve economies of scale, each department was made accountable for its operations while the SSC handled business processes.

At first sight, creating an SSC appears to contravene Smith's (1776) theory on labour division. However, within the SSC, the temporary organisation's strategic purpose of achieving operating efficiencies came to fruition. Smith (1776) prompts consideration of benefits to the fabric of society resulting from any such division. The temporary organisation could have been instrumental in delivering benefits to society by optimising labour. This thesis contemplates both the financial and social benefits.

#### **5.2.2.2 Financial benefit to wider parts of society**

In this regard, there was limited information from the primary source (interviews); therefore, this section considers secondary sources, primarily the 2016 group report (Company A, 2017), which an external auditor endorsed as being 'true and fair' (p.68).

This research considers the 2016 financial period: when there was a division in labour

and the temporary organisation was called into existence. These results offer insights into the temporary organisation's effectiveness in developing successful labour-based strategies to provide benefits to Company A and society as a collective.

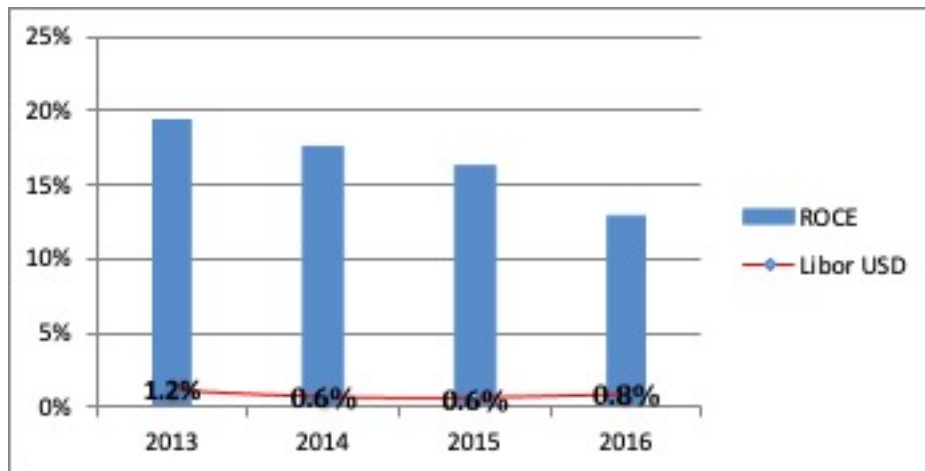
The assumption is that Company A would have at least partly funded the temporary organisation capital expenditure—USD 86.8 million for 2016 and USD 62.6 million for 2015—through debt and underwritten with equity (capital). Under this assumption, the division of labour developed by the temporary organisation as a strategic solution was consigned to Company A's balance sheet and—as the company's accounting policy demands—the resulting assets were amortised over three to five years to return a profit. While Company A has returned profit year-on-year under the EBITA<sup>5</sup> definition, return on capital employed (ROCE), GAAP<sup>6</sup> A criterion for the use of capital was also applied during the term of investigation.

Between inception during 2013 and 2016, ROCE experienced a downward trend by 6% percentage points, from 19% to 13%. Since Company A trades in USD, the analysis has benchmarked ROCE against LIBOR rates.

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<sup>5</sup> Earnings Before Interest, Tax and Amortisation.

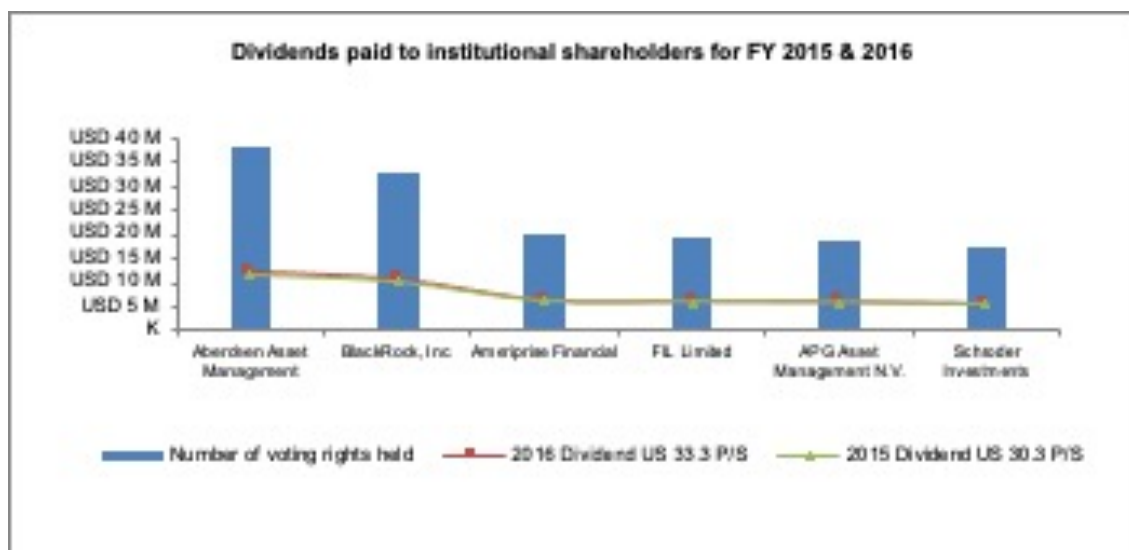
<sup>6</sup> Generally Accepted Accounting Standards.



**Figure 10 ROCE (Company A, 2017; Global Rates, 2017)**

Company A (2017) cites the reason for this trend as the ‘volumes of oil and [downward pressure on the] pric[e] [of oil]’ (p.9) and claims that the return on capital is in line with management expectations, citing challenges with ‘market conditions’ (p.1). While there is a diminishing effect on ROCE, it is difficult not to be critical of this view. It is worth contemplating the outcome if Company A had not mobilised its temporary organisation or had achieved—perceived or not—scalable efficiencies; perhaps this ratio would have been even lower than it now is. On the other hand, if there were higher revenues and lower costs delivered by the temporary organisation, this may have brought the ROCE to a higher ratio. Without further investigation, it is not easy to quantify the precise nature of this relationship. However, within the limits of the information available, there is evidence that implies a semi-quantifiable relationship. Despite making lower profits than in previous years, Company A decided to instil greater confidence in its shareholders by increasing its dividends 10% to USD0.33 per share. While it is not clear which equity company is fully UK-owned, or where precisely the UK economy capital is distributed, the management statement speaks of profit redistribution within the UK economy, either through institutional shareholders (see

Figure 11), via the share market, or as employee-owned dividends. Concurrently, the temporary organisation executed strategic improvements which may have had some discrete benefit to society as a whole, although quantifying these remains elusive. Capital invested elsewhere by Company A, may have had a greater redistribution impact within the wider UK economy than that attributable to the temporary organisation.



**Figure 11 Dividends Paid to Shareholders (Company A, 2017; Global Rates, 2017)**

### 5.2.2.3 Social value

With the SSC establishment in New Delhi came new full-time employment, which engendered confidence among those assigned there. This perceived confidence (Post Interview Email A) arose as a nexus between ongoing recruitment activities and the SSC's coordination of talent. Inasmuch as an inference exists from the strategies developed by the temporary organisation on the one hand to the economic outcomes it may have delivered on the other, there is insufficient theory to link job security to socio-economic benefits, the form in which these benefits would manifest, or the party who obtained them.

Secondly, there is no claim that the temporary organisation intentionally developed a strategy to include job security resulting in immediate or latent socio-economic benefits. It is also unlikely that the temporary organisation ever intended for employees in the SSC to believe that long- or short-term employment was ever secure, especially given that, at the time of collecting data, there was an initiative to reduce headcount across Company A's entire operations. In the absence of secondary data (i.e. PPP<sup>7</sup>), it remains a challenge to determine the extent to which the strategy was effective in delivering benefits in the wider context. If job security did provide such benefits, then these are at least partly attributable to the establishment of the SSC; they should not be articulated as an outcome of the strategy alone.

On the other hand, tangible social value (Holm Blankenburg et al. 1999) accrued within the Aberdeen head office (H). In reducing headcount and centralising business services, a core number of skilled staff was retained to provide subject matter expertise to the wider organisation and sustain the SSC. As well as running routine business processes, these subject matter experts would resolve issues where SSC personnel could not. Resulting from social value (Holm Blankenburg et al. 1999), though implied, this can be considered to have emerged as a strategic outcome.

Aside from social value (Holm Blankenburg et al. 1999) as an indirect strategic outcome, there is also evidence that there was an increased focus on external

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<sup>7</sup> Purchasing Power Parity

relationships, creating a collegiate client-focused environment (H and Post Interview Email A). The strategy advocated that those in revenue-related roles focus on client communication in delivering their contractual obligations. This objective was achieved by centralising business processes, which reduced the need by those in revenue-related businesses streams to engage in routine enquiries. The resolution of intractable business issues became the daily bread of subject matter experts at a pre-determined point of contact through stakeholder engagement and dialogue. This type of relationship correlates to empirical research undertaken by Holm Blankenburg et al. (1999), who argue that social value can emerge through the promotion of mutual, intra- and inter-organisational relationships to deliver financial value. In this instance, while it remains unconfirmed that financial value ever emerged from social value or the effect on Company A's financial position, there is a relationship between the effectiveness of the strategy and the promotion of social relationships positively affecting the bottom line (Holm Blankenburg et al. 1999).

In summary, outcomes such as social relationships (Holm Blankenburg et al. 1999) were unintended but beneficial consequences of the strategy. Firstly, the temporary organisation's strategy to set up the SSC fostered expectations (intended or not) of secure employment. Confidence in a working environment that offers security in terms of paid, long-term employment, given the added assurance of subject matter experts serving as local points of contact, points to the strategy's effectiveness. Although anecdotal, evidence indicates that Company A shareholders realised financial value through the reinforcement of business processes and the purpose of establishing the SSC. It reduces contact time for those in revenue-generating

departments and provides local representatives for bespoke and personalised services formed as part of a client-focused milieu. This said, it cannot be declared with certainty that the temporary organisation ever intended financial advantages to be attributable specifically to a socially-enhanced environment. Further evidence is needed to corroborate this relationship.

The Temporary Organisation: cognitive and governance structures to facilitate pathways to generate value

This next section probes specific governance and cognitive properties—Attitude, Knowledge and Actions—that Andersen and Jessen (2003) suggest may influence the temporary organisation's maturity, evaluating these properties under the banner of its relationship to value.

#### **5.2.2.4 Cognitive processes**

##### **5.2.2.4.1 Knowledge management**

If a relationship does exist between value and a temporary organisation's ability to make decisions, the methods it uses, and its ability to deploy, utilise and manage its resources, then what role does knowledge (Andersen and Jessen 2003) play?

Knowledge and maturity structures in the temporary organisation are related, the evidence suggests; however, the interviewee claimed there is also a level of dissonance (I) between individuals' knowledge and the collective knowledge of a temporary organisation. The interviewee maintains an individual's knowledge in a team can displace the collective knowledge of the team. One individual's dominance in a temporary organisation creates resistance (J), the interviewee claims, and may lead to stratification, or a hierarchy, between members about their status.

How does this stratification and knowledge link to value creation? One insight offered by Løwendahl et al. (2001) is in regard to knowledge as a catalyst for value-creation. While providing only an empirical and somewhat over-simplified notion connecting knowledge and value, it intersects with the interviewee's claim that knowledge can be a dissonant force. In his view, decisions based on knowledge are dependent on group membership and the status of individuals within the temporary organisation (individual/collective) (I). Løwendahl et al. contend that resources acquire and transfer knowledge through collective or individual layers arising from a natural stratification. They further argue that making strategic decisions, directing operating activities, and marshalling business services around bodies of knowledge can create value. In any case, Løwendahl et al. fail to precisely define the nature of value and, as a result, the affiliation between membership (collective/individual) and knowledge remains non-linear. As to how these two concepts influence value, their action appears to be anecdotal.

What does this mean for the temporary organisation where evidence suggests a relationship between knowledge, culture and value? The interviewee talked of 'ways of working' (O); this concept centres on the basic fundamental principle under the organisational culture's pantheon (Schein, 2004), claiming that 'ways of working' (O) in the temporary organisation were more dominant than how knowledge is acquired and allocated. Petrash et al. (1996) argue that realising value is accomplished by shepherding the right knowledge centres around intellectual assets. They further observe that this was, at least partly, achieved by changing the culture of an organisation to indoctrinate the team's 'asset managers' (pp.368–69) around a centre



of excellence—as Petrash et al. term it, an "Intellectual Asset Management ... Centre" (p.369), its role revolving around the documentation of 'know-how' (Petrash, 1996). Such 'know-how' information was primarily used to transfer and build a 'competitive advantage' (Petrash, 1996, p. 371) but, just as importantly, 'would lead to more knowledge creation that builds more value than before' by championing processes, visions (P), strategic alignment and other corporate initiatives related to intellectual assets. This practice is empirical, yet it does not go as far as to imply that an association exists between knowledge and value, with culture being a conduit for these two concepts within the temporary organisation's domain. Instead, it suggests that creating centres of knowledge through cultural change programmes is a means for businesses to realise value. This empirical concept echoes the interviewee's claim that changes (R and S) are required to the way things are done for value to be realised; however, this needs to be brokered by creating a vision that engenders the right value-creating culture (P). It would be naïve to suggest no relationship between culture and decision-making; in fact, they appear to be important agents that underlie knowledge and value. Thus, further investigation of these relationships and their greater impact on value would be justified.

One dominant theme of Temporary Organisation One interview data is empowerment to make decisions (K). Knowledge sources, it appeared, were a central principle of this decision-making process. Having the wrong or limited knowledge about processes or delivery status—among other key factors—influenced essential decisions and the level at which they were taken. Even then, when those in decision-making positions

knew the structure of the temporary organisation and its strategic direction, there was a need for the individual concerned to exercise sound judgement.

### **Actions to influence outcomes**

The interviewees also discussed the concept of actions, and ways in which they may relate to value within a temporary organisation. What are the major themes that substantiate the idea that 'actions' within a temporary organisation can influence value? In one interview, and as part of this study's strategy unit, the interviewee suggested that senior management within the temporary organisation (D) developed both the tactical and the proactive decisions in order to enact them, whereas in another, the governance unit interview, the interviewee suggested that steering committees determine the decision-making method. Committee members are encouraged to develop business and technical solutions (T) to achieve the temporary organisation's vision (D). Similarly, business leads (See Research Protocols) were not only responsible for signing off requirements (U, V and W) but were also actively encouraged to participate in the development of technically- and requirements-based solutions within the temporary organisation.

Despite inconclusive evidence, it appears that those concerned with the temporary organisation were encouraged to pursue a pathway that advanced its maturity status—and therefore, its ability to generate value. There was the affirmation that the actions conducted related to both technical solutions assuring the delivery of a final product and operating processes for managing or developing outcomes in a structured manner. The way in which those decisions were made, or the approach to such solutions, was inadequately documented. Likewise, it was never apparent from the

interviews whether there was ever a relationship between value and the actions taken.

### **Theory to inform events and behaviours**

Keeney (1994) describes a process of “value-focused thinking” (p.33). He argues that value generation needs to be fully embedded in an organisation’s overall strategic goals. He does not go so far as to describe value theory in its multifaceted form but frames “value-focused thinking” as a process that guides the decision-maker to pursue opportunities or ‘alternative solutions’ that characterise value. The evidence from interviews suggests that, while those who worked in the temporary organisation pursued actions (T) that focused on value, not all their colleagues were conscious of that mindset. While this may demonstrate an unconscious disposition towards “value-focused thinking”, such actions (T) may validate claims of an advanced understanding which delivered outcomes that are lateral as well as original. Thus, although actions can be demonstrated as having influenced value, there is a requirement to better understand this relationship and its impacts.

#### **5.2.2.4.2 Attitudes affect outcomes**

In any analysis to evaluate attitudes within the maturity paradigm, two dominant themes emerge in favour of the finding that attitudes within the temporary organisation are influenced by senior management (X) as well as by the organisational structure (Z and AA). Below are the relevant themes and their relationship to value. The interviewee claimed that seniority is underpinned by ‘confidence’ to influence control (X) and that fidelity is covertly examined to create a level of submission (Y)

within the temporary organisation. This behaviour affects positive or negative attitudes, according to the interviewee. In contrast, he also commented that the company structure influences those within the temporary organisation (Z and AA). What is not clear is whether attitudes are influenced only by actors (X) within the temporary organisation or by the organisation's broader structure (Z and AA). Therefore, the more plausible conclusion, and the one adopted in this analysis, is that there is a link between leadership (X, Appendix A) and the structure of the temporary organisation (Z and AA), with the relationship between these two concepts affecting the behaviour of actors within that structure. In treating the two jointly, what evidence is there that attitudes within this paradigm can shape value? Perhaps theory can inform the interviewee's claims.

One theory, albeit limited and potentially obfuscating, proposes that "[functional] management [can] determine the effective organisational structure of the value chain and its efficient operational management" (Walters and Lancaster, 2000, p. 178). Yet the relationship between organisational structure and value is indeterminate in terms of the interviewees' positions. On the one hand, these scholars assert that the organisation's structure (Z and AA) influenced attitudes; on the other, they claim that the leadership also influences attitudes (X) for those employed within the temporary organisation. If Walters and Lancaster's argument does imply that management can shape the organisation and, by extension, the temporary organisation, then value can emerge through such influence. This theory intertwines with the interviewees' claims; however, although there was no direct evidence to this effect, this is not to say that value was not generated by way of leadership and structural determinants within the

temporary organisation. Equally, while the interviewee discussed enablers of attitudes, personal approaches—either positive or negative—proved to be the dominant factor. Other attitudes, such as views of banality, ambivalence, or parochial vs broadminded thinking, were expected to appear but did not.

The interviewee also discussed risk and its relationship to attitudes (BB). He implied that a person's attitude determined how someone more senior (X) accepted, negated or absorbed risks within the temporary organisation (BB). That is, attitudes tend to affect the way risk is managed. On balance, the relationship between risk and the heterogeneous body of value is better described as emergent with indeterminate empirical evidence linking value (BB) and risk in the body of evidence.

#### **5.2.2.4.3 Organisation and governance**

The purpose of the interview concerning this temporary organisation was to determine whether value had materialised within it and whether it had extended beyond into the wider organisation by diffusion of governance virtues. In part, such gains could positively influence value.

One dominant theme in this research was around the definition of roles and responsibilities (CC), as well as to assess strategic requirements in the context of Company A's architectural blueprint (DD and EE), especially the way these inform the role that the temporary organisation plays in selecting and prioritising such requirements. A steering committee typically sanctions and authorises proposed initiatives (JJ and KK) and provides strategic guidance across the temporary organisation. Likewise, evidence suggests a fluid and semi-structured approach to

prioritising the temporary organisation's schedule (LL and MM). By way of such guidance, a competent steering group can select strategic priorities based on either the importance Company A places on each initiative or by ratifying criteria that the temporary organisation sets. While decisions remained internal to the temporary organisation as to which strategic requirements to mobilise, omit, or prioritise, it could be argued that the steering group aimed to deliver value for both the temporary organisation and for Company A. To select strategies that offered the highest value to Company A, a semi-structured approach was agreed in the selection of strategic opportunities (LL). Applying this approach, although the temporary organisation could not decide how Company A runs in the future, the decision-making framework influenced how the temporary organisation functions as an entity. Outcomes of this process must remain tentative until more substantial evidence emerges.

Other evidence suggests the temporary organisation discreetly embeds a political agenda into each role and responsibility (CC, DD and EE). Ordinarily, this might be an implied outcome of organisational design, as part of its development is assigning accountability to each role (FF and GG), which is as much about driving behaviours as it is about being answerable for one's actions (FF and II). It must be said that, if this is the case, then many roles and responsibilities within the temporary organisation presuppose elements of a political agenda and accountability, merging into its organisational design framework in terms of identifying and engendering archetypal behaviours. This function would affect how decisions are made within the temporary organisation and exert a political influence on Company A's operating environment. However, there was no evidence that notions of political or accountability *per se*

influenced value or that a relationship existed between the two; it is unclear whether it does. It presents an interesting paradox in regard to the relationship between political factors embedded within the temporary organisation's governance framework and the creation of value. Likewise, such associations could be described as esoteric, in that a political factor under the patronage of the temporary organisation's governance could, in some way, influence value for the parent entity.

In the absence of sufficient evidence, how can literature justify these two dominant themes, the steering groups on the one hand and the notion, on the other, that roles and responsibilities engender the temporary organisation's design?

Firstly, to consider steering groups, this question compels us to extend the research and compare evidence from other, multidisciplinary literature. Corporate governance literature, for instance, is used to contemplate the role of organisational governance and its functional role to ascertain how boards and, by extension, steering committees provide value. Existing corporate governance literature (Prahalad 1994) makes a case that boards ordinarily focus on managing the external environment rather than the business itself and that governance boards would be better off focusing on "non-financial indicators" p.45). Prahalad (1994) insists that governance boards handle several channels, including "product markets (consumers), labour markets (specialised talent), the market for technology (suppliers), and capital markets (investors)" 50). Product markets relate to the wider business, and the final asset must be delivered to the business (Prahalad 1994). Capital markets determine how money is to be deployed by the temporary organisation to build a solution that would ultimately lead to capitalisation (Prahalad 1994). Such value-drivers are motivated by

bringing acquired businesses into the group's operating model to be obligated by the temporary organisation into using business processes that are more efficient, more automated and less reliant on staff labour. This model is endorsed by Company A's strategic requirement to incorporate existing acquisitions into the group's operating model (NN and OO) to quickly and efficiently achieve greater value over smaller, less profitable acquired businesses.

However, the challenge is to balance choosing the right strategic requirements and the value of the temporary organisation (in terms of ease of implementation) to Company A, based upon value delivered to shareholders and society at a national level. Prahalad claims that value can be realised by managing such functions with greater focus. There was no evidence that the temporary organisation ever practised this routine. With the links between steering groups and value as a multifaceted parameter ordinarily opaque, it is not easy to envisage the path by which value either from their direct influence, or from existing literature, could be assessed in this research.

Calling on literature to bear out the notion that roles, responsibilities, and accountability influence value, this thesis turns to agency theory—a sub-theory about governance—to help inform thinking about the relationship between roles, responsibilities, and value. One function of agency theory is “monitoring [the] managerial actions on behalf of shareholders and [maximising shareholder return]” (Donaldson and Davis, 1991, p.50). The shareholder or principal in the temporary organisation's case is Company A, whose management performs an oversight function integral to the temporary organisation. A dominant feature of agency deals with



conflict “[between] principal and agent” (Donaldson and Davis 1991; Eisenhardt 1989, p.58). However, agency theory tells us that maximising shareholder value can be achieved by adopting specific mechanisms to define the agent's roles and responsibilities and avoid conflict between principal and agent (Donaldson and Davis, 1991). This last section investigates these principal-agent mechanisms and their relation to notions (including political and accountability) affecting roles and responsibilities that influence value facets. Eisenhardt (1989) puts forward one principal-agent model, which is on information systems. He suggests that this model produces “[the] effects of efficient capital and labour markets on management opportunism” (60). Eisenhardt's claim is that economic information used by the principal can be used to control agent behaviour. A question remains about Company A's tendency to influence or drive behaviours throughout. One interviewee for this case study stated that accountability was assigned (FF and GG) within the temporary organisation; this is a characteristic of managerial control. However, there is no apparent link between managerial control—by Company A—and economic information used to affect behaviour within the temporary organisation. Indicative evidence (Temporary Organisation One) is limited to the concept that the energy market influences Company A, particularly oil price per barrel.

In another study, Eisenhardt (1985) suggests a relationship between organisational design and the economic information systems on which it is based; however, further studies were needed to confirm this claim. What is clear from the present work is that there are at least two concepts: assigning accountability within the temporary organisation and the degree to which the price for a barrel of Brent Crude influences

Company A's strategic decisions. This relationship could be expected to vary widely.

Even if a relationship does exist, the effect on value is not evident. Can organisational design in assigning direct accountability to roles and responsibilities influence it?

The relationship identified by Eisenhardt (1985; 1989) is regarded as uni-directional, i.e. economic information influences organisational design and its characteristics.

There is no suggestion that the organisational design can influence the economy, effectively disconnecting it from value generation considerations. This disconnect is not to say a relationship does not exist.

### **5.2.3 Summary**

What emerged from this research was that, strategically, a goal exists. Less clear is the level of its overall integration (in regard to acquiring organisations for amalgamation into the existing operating environment) and its relationship to value. This thesis argues that the full realisation of value requires management to articulate value creation as a corporate goal and promote its virtues at the intra- and inter-organisational levels. It was unclear whether such an affirmation was present in Company A.

This section explored strategic, cognitive and governance practices within a temporary organisation setting and their mechanisms to influence value. Value could be achieved either proportionally (Smith, 1776), by dividing it (Smith, 1776) or through the average labour time to produce a barrel of oil (Marx 1863, 1885, 1887). Given the difficulty in deciding whether the temporary organisation even adopted value generation as a strategic practice, it is difficult to realise its full pathway. While corporate goals never

enunciated such concepts, the evidence that did emerge suggested a division of labour. The evidence also suggests that the temporary organisation, under Company A's sponsorship, pursued an agenda of departmentalising labour, combined with IT and process re-design.

Further evidence emerged that the division of labour created greater social value in the form of improved relationships between the business and client; however, there was no clear evidence that greater social value positively affected Company A's financial position. Although Smith (1776) argued that dividing labour would have wider benefits for society, the evidence on this is inconclusive in this case. The division of labour partially helped one society (the local economy in New Delhi) and disadvantaged another (the local economy in Aberdeen). The society it sponsors enjoyed greater perceived job security, which is important in the wider socio-economic context. When offsetting benefits in the form of social value where the head office was located, this division of labour imposed a cost on the local labour market, instead perhaps offering long-term benefits of sustaining customer–client social value.

This thesis also attempts to evaluate the extent to which financial benefits arose through the division of labour. There were signs—indicative at best—that the wider UK economy became a net beneficiary; however, in the absence of full financial figures, this thesis argues—in a one-dimensional way—that the return on capital employed (ROCE) to fund the temporary organisation was still more than official LIBOR rates, a positive result. Although the precise nature of the temporary organisation's funding arrangement remains unclear, the very contemplation of

effectiveness confirms a profit motive. This relative connection between ROCE and profit saw the business paying dividends to institutional investors. Without specifics as to capital structure, this thesis reasons that ROCE considerations indicate society benefited from the temporary organisation's efforts, since institutional investors create local employment, re-deploy funds to other investments and pay pensions.

There was no evidence that labour was proportional or that the company used SNLT (Marx, 1867, 1878, 1883). This is not to say a relationship does not exist between labour and Brent crude, just that no empirical evidence or literature links them. Likewise, it was unconfirmed that there was any consideration of use-value; for example, with regard to use-value for process re-design, or the acquisition/ removal of proprietary software. Again, this thesis does not assert that use-value does not exist, just that its occurrence was not clear from the body of evidence.

Causal evidence emerged that knowledge—or centres of knowledge—were agencies for creating value. The idea was that coordinating operating and business choices around collective and individual knowledge centres (Løwendahl, Revang and Fosstenløyken, 2001) is a means for realising value, setting aside the facets of value that could materialise. In contrast, according to Petrash (1996), coordinating knowledge centres around intellectual assets, such as knowledge bases, would assist in this determination. It would be best to describe both these concepts as value-creating activities under the temporary organisation's patronage and, by extension, Company A.

Likewise, there is evidence of an affiliation between the organisational design of the temporary organisation and economic value (Walters and Lancaster, 2000), which

attitudes could positively influence. While tenuous and untested, it presents interesting parallels in that attitudes can be both empowering and disempowering. There is a need for project management to positively adopt attitudes within a maturity paradigm and under the auspices of the temporary organisation. In light of this, senior management needs to promote appropriate attitudes and align the temporary organisation's structure to value chains (Walters and Lancaster, 2000).

There were indications that a relationship may exist between temporary organisation organisational design and the assignment of accountability within it; however, more research is needed to establish this. Likewise, there were indications that strategic choices within the temporary organisation's governance framework were an avenue for creating value. For this, there was literary evidence (Prahalad, 1994) defending the view that governance boards perform a decision-making function, and that their responsibility is to make decisions that are value-orientated.

### **5.3 Case Study Two: Temporary Organisation Two: Airbus**

#### **5.3.1 Introduction**

*Airbus Space and Defence is a branch of Airbus, a company not only known as a maker of commercial aircraft but also for delivering defence capability to governments, including the Saudi Arabian government. This analysis looks at two primary management practices, 'change management' and 'stakeholder management', within the temporary organisation whose core objective was to deliver telecommunications capability to the Saudi Arabian National Guard. A subset of these two high-level practices analyses labour, feedback loops and training as potential value-generating processes, with profit—a derivative of value—examined as one dominant route emanating from the temporary organisation and beyond. A perceived community assurance was revealed as an outcome of management processes in this temporary organisation.*

#### **5.3.2 Value and the temporary organisation**

##### **5.3.2.1 Background and purpose to change**

According to one senior manager, the project's structure enabled it to deliver according to its contractual obligations because of an organisational change that was made (PP). It needs to be said that this organisational change was different from that experienced by Temporary Organisation One, which was transformational,

augmented by technology. The change in Temporary Organisation Two centres on organisational design and hierarchy within the core delivery team, including its control functions. The team manager cited challenges in executing commercial obligations, such as delays, poor risk management, and inadequate oversight. The organisation was restructured to prevent it from habitually committing the business to contract for new work while concurrently delivering existing projects, especially as demand for new work was more significant than the supply of resources (QQ. However, it is essential to understand the background to this change and that the team continued functioning without extending the head contract beyond its current contractual date. At Airbus corporate level, the urgency was created by a strong drive to finalise delivery solutions in the form of a legally binding contract irrespective of the adequacy, or otherwise, of the approved solution. Ratifying deliverables under a contract enabled the organisation to mobilise resources and execute projects to generate revenue for the business, even in the face of severely flawed commercial framework conditions such as scope gaps, inadequate definition, or poorly understood business requirements. This aggressive approach to generating revenue meant that employees attended to a broad range of deliverables instead of focusing on the important ones. It also created risks in managing interdependencies across each solution, making it challenging to determine the sequencing. However, the real purpose was to hasten the contract to the exchange phase to enable Airbus to realise earnings and recover its pre-contract costs, a model which wrongly incentivised Airbus. Significantly, quality suffered because resources were over-leveraged.

There was an explicit requirement to move away from this model and focus on projects already in the execution phase. However, according to one account manager, a disconnect existed between those engaged in the pre-contract phase, which essentially defined the solution, and those delivering the solution: the core delivery team (TT). Not only were resources highly leveraged, but they worked within silos of pre-contract and post-contract phases, and this needed to stop.

The other reason behind the change was overcoming apathy generated by the parent company—Airbus—which, after many years, had overturned its decision to divest itself of its operations in Saudi Arabia (SS). The original decision to abandon this business element was that it generated lower returns than Airbus's other revenue streams, such as military and commercial aircraft. However, the divestment decision also curtailed capital investment in its Saudi Arabia operations while still fulfilling its contract obligations. This decision triggered indifference and created doubt about job security amongst staff, with an adverse effect on output. Furthermore, no training or investment took place while the parent entity sought a new buyer.

In the event, Airbus reversed its decision to divest itself of the Saudi Arabia operations, deciding instead to fulfil its contract. However, while committed to meeting its original contractual obligations, it neither negotiated new contracts nor bid for new work. Trading ceased following its final contract delivery in December 2019.

Other structural issues also affected the business. According to one senior engineer (XX), the HR function within the Saudi operations was a parochial function of a bygone era; it merely acted as a 'personnel' function rather than a strategic one. The engineer



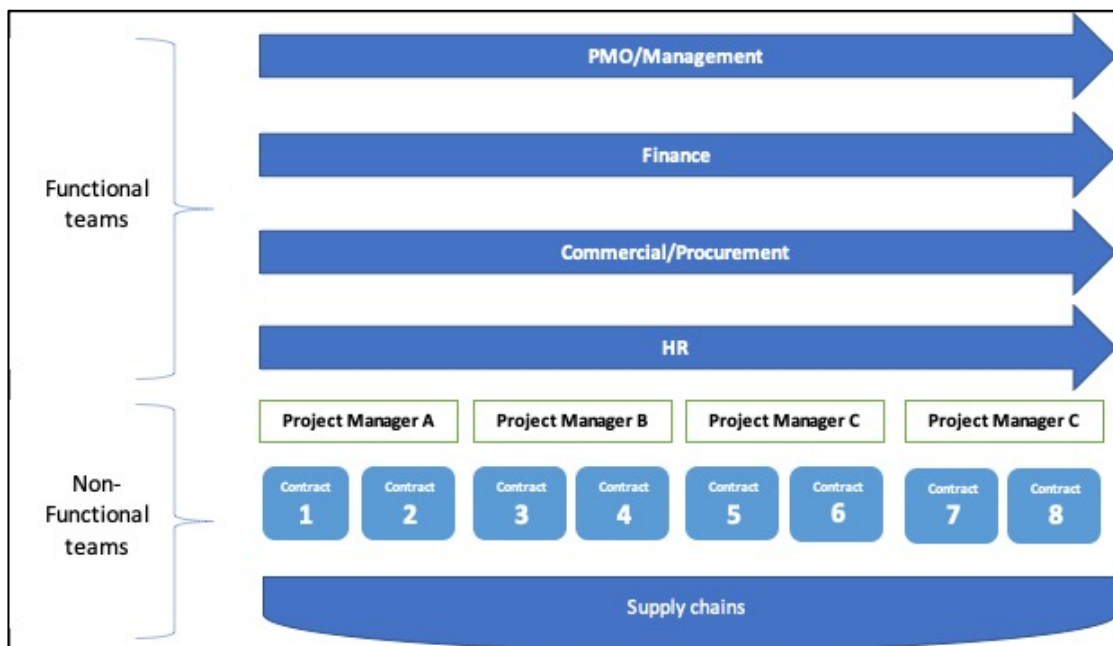
claimed that delivery objectives frequently changed due to the National Guard's scope changes, resulting in changes to time or cost. Hiring staff—in part—met delivery goals. Non-essential staff were never made redundant and, according to the engineer, the function, and the wider business, relied on natural attrition to control supply and demand—hardly an insightful HR policy. The engineer claimed that had the HR function acted as a strategic partner rather than a functional one; the organisation may have performed more efficiently. Instead, it was ultimately organisational change within the delivery team that aided the achievement of its final contractual obligations regarding individual job security. Nevertheless, it is not evident such change would have been necessary had the HR function robustly adopted succession planning and training practices.

### **5.3.2.2 The approach to change**

Thus, the change to the temporary organisation was necessary to reassure those in the wider joint Airbus-MOD coalition of medium-term stability over the contract's remaining life and re-direct efforts to deliver the agreed work scope (UU). While the organisational design imitated industry standards, it was clear there were also divisions (TT) regarding resource allocation. Perceived grievances driving the team's need for organisational change were identified as fragmented communication channels and unclear reporting lines, while noncommittal linkages between personal objectives and delivery outcomes were commonplace.

The change was completed in two steps. The first was to reorganise the delivery team from a contract-based delivery to a product- and provenance-based one. The second

step was to create objectives that linked delivery outcomes to annual bonuses (UU), incentivising the avoidance of new business which could not be delivered on time or which impeded the fulfilment of existing contract objectives. New projects were bought onto contract only if they filled gaps in the existing scope. For any change in delivery structure, what evidence was there that this change was successful?



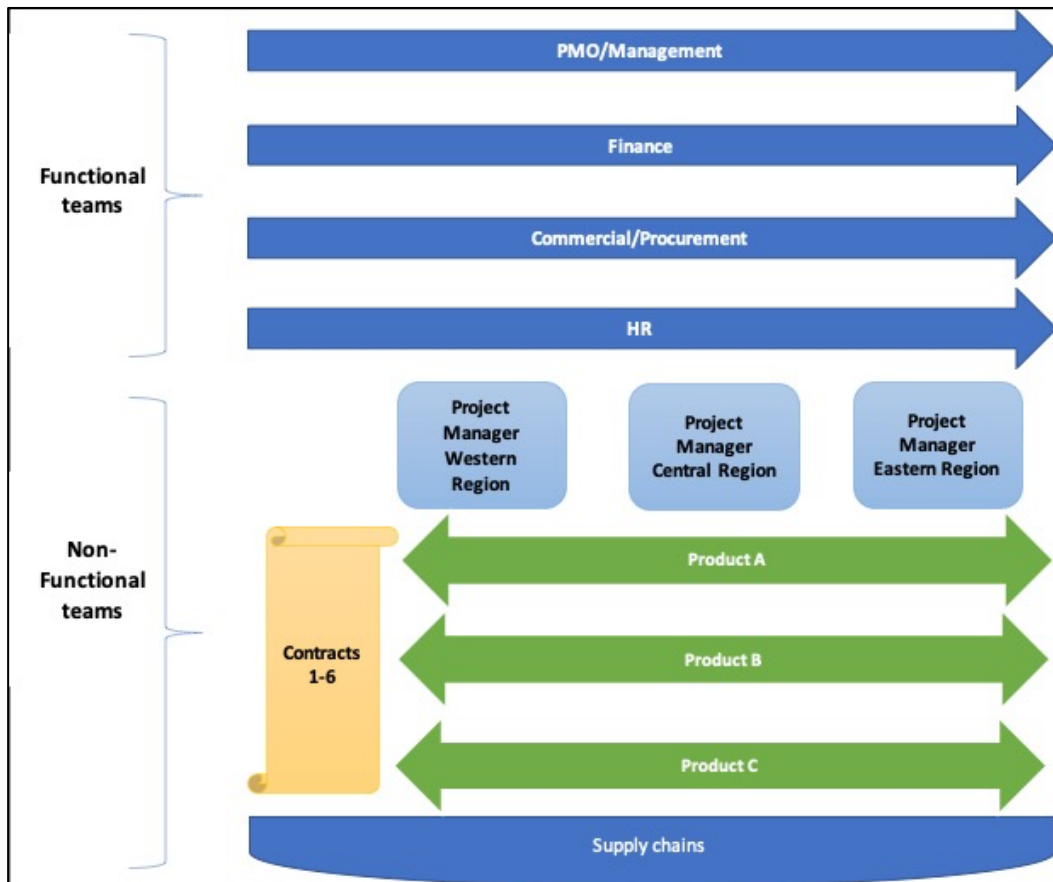
**Figure 12 Ex-ante conceptual diagram of the original organisational structure**

Figure 12 is an ex-ante conceptual diagram of a contract-led organisation. However, given that there were distinct interdependencies requiring multiple project managers for just one deliverable across multiple contracts, this model created inherent risks. Extending the head contract beyond December 2019 was the greatest of these. Complicating the situation was the acceptance of penalties that would threaten profit—not to mention that such interdependencies created fragmented communication channels that led to misunderstanding and discord.

The portfolio director needed to change the delivery team to a structure with explicit boundaries and thresholds, avoiding interdependencies—considered a source of risk—by means of a stratified model which still affirmed the contract scope between Airbus and the proxy customer: the MOD. While not an organisational chart, the above ex-ante diagram represents the temporary organisation's original composite structure.

It remains a matter of conjecture what would have happened had the delivery team continued its original trajectory. Its continued ability to fulfil its tasks while avoiding delays, overspends, or cancellations remain untried while no evidence conclusively illustrates the impact had the organisational delivery team pursued this path.

A conceptual representation of the post-ante model is shown in Figure 13. As a first step, the adoption of a contract-driven model, re-defined by product and provenance, constrained resources within clear new boundaries, disincentivising the pursuit and automatic acceptance of new contracts. The second step was to link staff objectives to project deliverables, so that failure to deliver would impact annual bonuses. Objectives were made more explicit than targets previously set within the organisation. Primarily responsible for meeting deliverables, the portfolio director led the initiative to ensure precise alignment between personal objectives and delivery objectives (UU, EEE).



**Figure 13 Conceptual diagram post-change**

### 5.3.2.3 Evidence

It would have been useful to point to value creation as evidence that this was an effective management practice. Massey et al. (2001) conducted a pilot study examining a significant change transformation programme in IBM, which, similarly to Temporary Organisation One, reorganised its business by leveraging resources and aligning them to knowledge points. However, IBM's reason for the change was to improve customer experience rather than financial results. As with all transformation projects, there would have had to be a financial benefit to IBM since it would be unlikely to be pursued if it were to return a loss to shareholders. The resemblance between IBM's case (knowledge experts), and Airbus's case, particularly in leveraging

or allocating resources to critical boundaries within the business, suggests that the organisational changes should have resulted in a change in perception by the client (SSS).

How do we characterise such benefits financially for this research? Although the evidence collected in field studies was limited, an attempt at evaluation was made.

The limited and fragmented quantitative data means that few techniques exist to perform this function reliably. Of course, there are industry models, including Monte Carlo simulations, but these are inappropriate given that such simulations predict possible future results (Balogh et al., 2014). In contrast, the current research goal is to understand and characterise the relationship between management practices within the temporary organisation and their impact on finances as an indicator of their effectiveness. Therefore, the current study aims not to forecast the extent to which these management practices could have increased profit but to understand and contextualise the relationship between organisational change and profit. As a consequence to this, predictive analyses were considered unsuitable.

Therefore, the current study utilises descriptive statistics to focus on organisational change and its impact on Airbus's financial position. Previous researchers have called for customer relationship management measures that include some descriptive measures of financial outcomes (Kim, Suh and Hwang, 2003). For example, they argue that including a financial measurement of the customer relationship and perceptions of effectiveness provides a holistic understanding of an organisation's customer relationship management techniques. The current study includes some of the

measures that Kim et al. (2003) suggest with the aim of examining customer relationship management, including net sales and profit measures. Four financial measures—order intake, turnover, gross profit, and net profit—are examined for the current study across four years. The order intake and turnover are included as proxy measurements. It could be assumed that the temporary organisation's customer—the MOD—would be more satisfied if it were seen to be delivering as a result of organisational change (Giovanis, Zondiros and Tomaras, 2014). Earlier studies found that customer perceptions improve after the organisational change (Massey et al., 2001); however, the connection between financial outcomes and improved perceptions was not explored in these studies, despite being called for in previous literature (Kim et al., 2003). The inclusion of financial outcomes alongside improved customer perceptions addresses this gap in the current literature.

Gross and net profit are included to enable understanding of the overall impact of organisational change on the company's bottom line and to permit evaluation of the multiple ways in which organisational change—as a management practice—was a legitimate tool for the pursuit of an organisational agenda. Taken together, these four measures of financial performance provide context to understand the lead-up to the organisational change and its financial impact.

The descriptive statistics included in the current study depict results during the four years (2015–2018) before the organisational change was implemented at the beginning of 2018 and remained in place until Airbus ceased trading in the Kingdom. While no inferences can be made about the organisational change's financial impact

in the two years post-2018, the financial data provides context for organisational change motivations, themes and processes identified within the case study. Additionally, the financial data described below may have implications and suggest directions for future research.

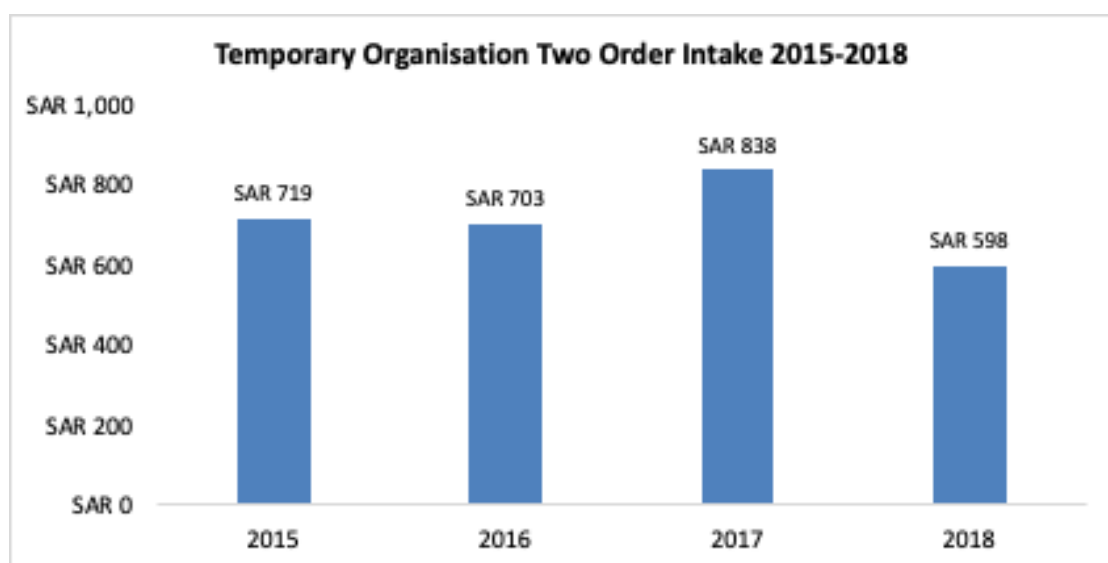
First, the order intake was examined. Order intake decreased from 2015 to 2018 by 17% (see Figure 13). The mean average order intake from 2015 to 2018 was SAR 714.7m ( $SD^8 = SAR 98.3m$ ). Order intake ranged from a high in 2017 of SAR 838m to a low in 2018 of SAR 597.9m. From order intake year-by-year, a small (2%) decrease was observed from 2015 to 2016 followed by a 19% increase from 2016 to 2017. This increase was followed by a 29% decrease from 2017 to 2018.

As previously described, the manager had reported challenges with the existing delivery structure and the resultant barriers to successful delivery. Though a direct cause cannot be determined, order intake was highest before the organisational change took place at the beginning of 2018, suggesting that barriers to successful delivery may have affected customer perceptions and willingness to place future orders. However, order intake insights would have been available in the second half of 2017, suggesting a decline in order intake for 2018, thus pre-empting a need for organisational change. In conjunction with the evidence of low perceived internal

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<sup>8</sup> Standard deviation (sample)

effectiveness from case study data, the decrease in order intake may have provided the reason for change. From the data, it is unclear whether concerns among senior delivery team members regarding successful deliverable achievement existed before these decreases in order intake or whether the decreases drove the concerns of the senior members and their decision to change the structure of the temporary organisation structure to deliver outcomes. Regardless of the financial data, the experience level of the temporary organisation's senior members certainly provided significant thrust to organisational change.

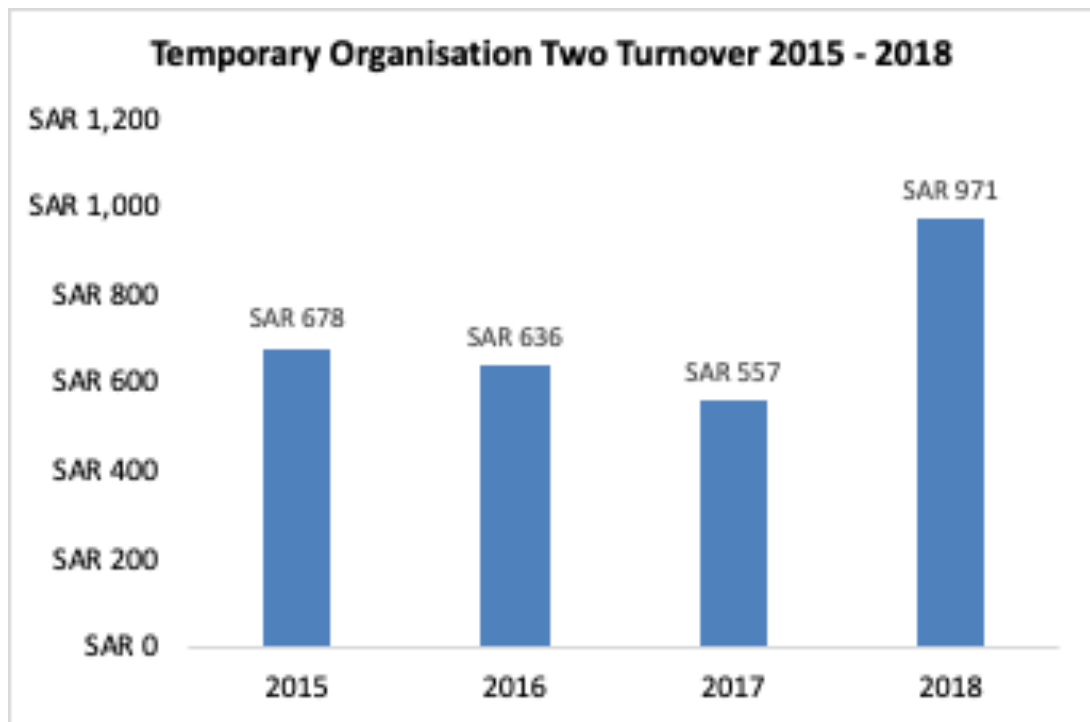


**Figure 14 Order intake in millions from 2015 to 2018**

Next, the turnover from 2015 to 2018 was examined. Unlike order intake, turnover showed an overall increase (43%) from 2015 to 2018 (see Figure 15). The mean average turnover from 2015 to 2018 was SAR 710.9m (SD = SAR 181m). Turnover ranged from a high in 2018 of SAR 971.9m to a low in 2017 of SAR 557.1m. Although turnover increased significantly over the four years combined, in three out of the four



years turnover decreased, with a year-on-year decrease of 6% in 2016, followed by 12% in 2017. It was not until 2018 that turnover increased by 74% from the year prior. As with order intake, decreasing turnover—a measure of net sales—in the preceding three years (2015–2017) may have contributed to concerns among senior members of the delivery team about the current structure and the struggles they met in meeting contracted deliverables including order intake. As with order intake, this decrease in turnover meant that the temporary organisation could not convert order intake into turnover due to possible inefficiencies in its organisation; therefore, in 2018, orders could be converted into cash when deliverables were met, based on orders taken in previous financial years. With turnover decreasing, senior members of the temporary organisation, frustrated with the barriers to effectively meeting deliverables, may have perceived more importance in implementing organisational change.



**Figure 15 Turnover in millions from 2015 to 2018**

As for profit, gross and net, both increased significantly from 2015 to 2018 and, unlike order intake and turnover, saw continuous increases across all four years. Gross profit increased by 480% from 2015 to 2018 (see Figure 16), ranging from SAR 10.8m in 2015 to SAR 62.6m in 2018 with an average of SAR 31m (SD = SAR 22.4m).

Net profit increased from 2015 to 2018, with a total increase of 545% (see Figure 17), ranging from SAR 8.7m in 2015 to SAR 56m in 2018 with an average of SAR 26.3m (SD = SAR 20.8m). The average net profit from 2015 to 2018 was SAR 26.3m (SD = SAR 20.8m). Net profit ranged from a low in 2015 of SAR 8.7m to a high in 2018 of SAR 56m. As with gross profit, net profit saw increases across all four years; 85% from 2015 to 2016, 51% from 2016 to 2017 and 131% from 2017 to 2018. It should be noted that

gross and net profit up by 100% from 2017 to 2018, the year in which the organisational change was initiated in the temporary organisation.

These descriptive statistics consolidate the view that the company was efficient in delivering commercial objectives that increased profits each year before the organisational change. Supposing profit was the sole indicator of the value of organisational change it is possible that, when deciding whether to implement such change, leaders within Airbus may not have sensed its true importance, their judgement obscured by significant year-on-year profitability increases. It does appear that including the financial data and individual perceptions of the effectiveness of deliverable achievements illuminates how different stakeholders view the value of organisational change.

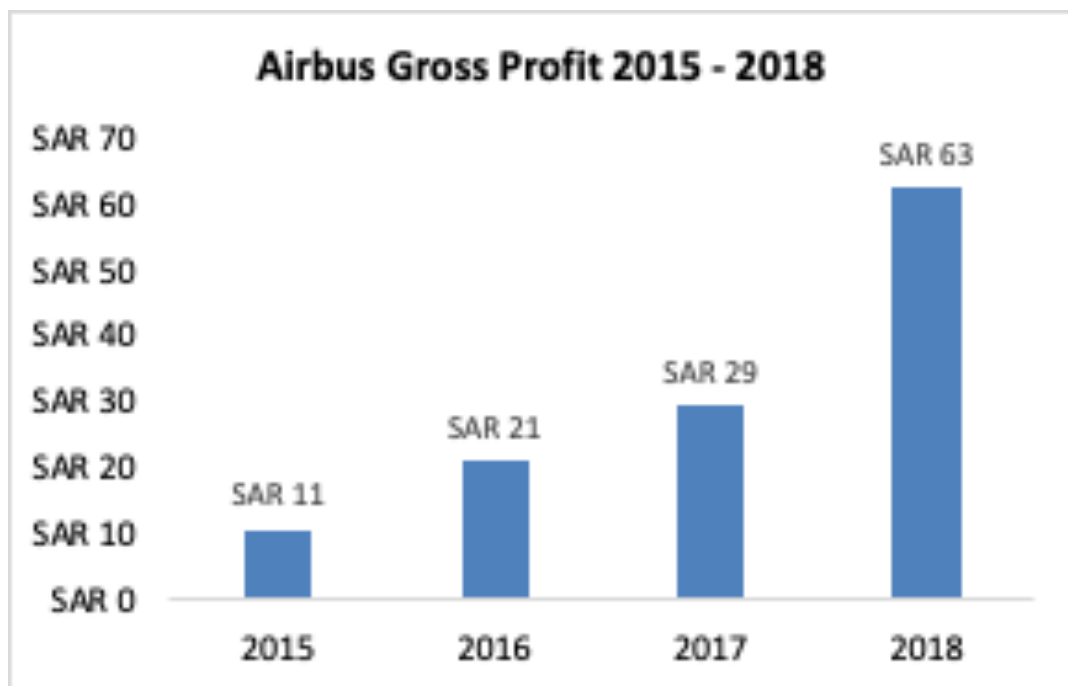
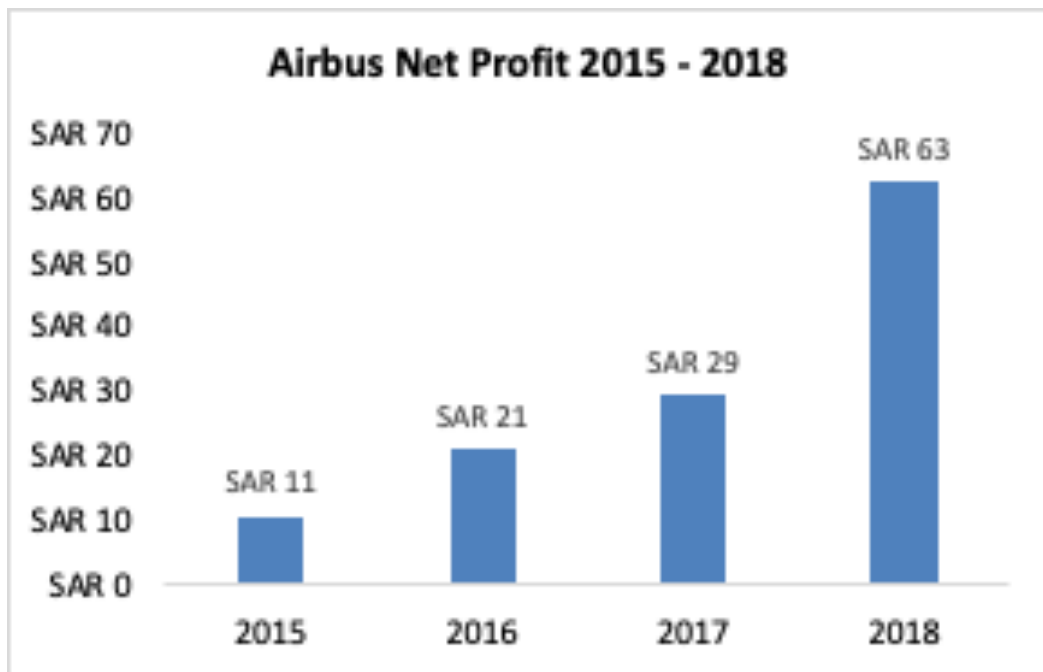


Figure 16 Gross profit in millions from 2015 to 2018



**Figure 17 Net profit in millions from 2015 to 2018**

While the financial data in the current study did not include the period following the organisational change initiated at the beginning of 2018, the inclusion of these data adds to the current literature, which has previously made limited use of financial data to measure the impact of organisational change (e.g., Massey et al. 2001). These performance measurements are also consistent with suggestions from other researchers to include financial outcomes as a measure of the effectiveness of customer relationship management techniques; for example, Kim et al. (2003) argue that including financial data with perceptions of internal effectiveness can provide a holistic view of customer relationship management. Particularly when evaluating the perceived significance of organisational change, measuring multiple dimensions can provide information on the value generated by organisational change that may not have been uncovered had only one measure been utilised.

By providing a critical perspective for the Temporary Organisation Two study, this data may illuminate the process of change to its structure. The delivery team's senior members found that HR's non-strategic stance to required customer response created obstacles. They also noted that the parent entity (as opposed to the temporary organisation) focused on profit, rather than the quality of completed deliverables. Decreases in order intake and turnover may have contributed to the perceptions of barriers to delivery, or perhaps the delivery team's senior members saw decreases in these two measures as evidence that their concerns were correct. Either way, they appear to have placed greater importance on organisational change due to the original structure's combined challenges.

Overall, these findings offer empirical evidence expanding on the views of Kim et al. (2003). In conjunction with perceptions of internal effectiveness, financial data utilisation provides a holistic understanding of customer management expectations. Additionally, the inclusion of financial data amplifies distinct aspects of organisational change or, at least, provides additional evidence to complement the perceptions of this change. When examining structural change, an organisation should consider more than one type of financial data.

In this case, while profitability data suggest that the existing organisational structure placed the organisation at a financial advantage, the order intake/turnover and case study data tell a different story. The fact that both order intake and turnover decreased in the years leading up to the organisational change suggests that the MOD's views of the organisations original structure and its ability to meet deliverables

were deteriorating or, at best, inconsistent. It may have been that, without organisational change to address barriers confronted by the temporary organisation, the parent entity would have seen both gross and net profit begin to decrease. Thus, the use of multiple types of financial data permits the evaluation of an organisational change that may not have been possible had only one type of financial data been included.

Additionally, these findings stimulate future research, including more financial data, to assist in examining organisational change. As senior members of the temporary organisation recognised that the former HR department was a barrier to implementing deliverables, the decreases in order intake and turnover provided the impetus for a degree of transformation. At that point, due to the temporary organisation's challenges in effectively meeting deliverables, the MOD perhaps was less inclined to submit additional orders (Giovanis, Zondiros and Tomaras, 2014). Thus, both types of data encourage restructuring of the temporary organisation to allow its members to leverage effectiveness in addressing client needs.

Even without the contribution of the current study, there are several avenues to consider for future research. The first is to collect and analyse financial data after an organisational change has occurred. In the absence of post-change financial data, triangulation was limited to the time before the organisational change. Thus, future research has been left the task of completing a holistic account of the value added by organisational restructuring.

Second, future research should consider financial data on wages and their impact on profit to determine effects on SNLT (Marx, 1867, 1878, 1883). In the current study, despite order intake and turnover decreasing across the years examined, profit, both gross and net, increased across the same time, both by over 100% from 2017 to 2018. Another scenario mentioned earlier is that order intake may have been latent in the years preceding 2018 and that the execution of orders during and after that period could have emerged as a scenario for realising exponential profits.

#### **5.3.2.4 Unintended benefits of change**

While the organisational change in early 2018 created greater clarity for those delivering and developing commercial obligations, it appears that the broader Airbus outside the immediate nucleus of the temporary organisation continued to operate in silos (BBB). This dissonant way of working was evident in finance, procurement and HR. It could be argued that the act of linking personal objectives to annual performance bonuses offset this impediment, at least for the temporary organisation. However, no internal or external training was offered to meet modern technology demands, thereby aiding new methods of delivering projects. Relying on natural attrition (XX), resource allocation (YY) and, to a lesser extent, recruitment made it challenging to increase capability in the use of modern technology and implement it over the life of a 10-year contract; instead, HR insisted that new headcount was already sufficiently trained and educated to meet the demands of the role (AAA), disregarding future demands. Due to this restraint, no emerging technology—whether for achieving efficiencies throughout the contract or as part of a customer solution—

could ever be adopted simply because the organisation lacked capacity and was not prepared to allocate additional capital to training. Organisational change alone was insufficient to meet demands; therefore, there was a need to rely entirely on labour markets as an adjunct to meet capacity gaps.

### 5.3.2.5 The Value of Change Management: the broader impact

When ascertaining change management as a targeted practice, all that can be characterised is a contributory relationship between organisational change within the temporary organisation and profits remitted to the Airbus consolidated balance sheet in Europe.

	€ 2018 (Bill.)	€2017 (Bill.)
Revenue	64	59
Cost of Sales	-55	-52
Gross Margin	9	7
EBIT	5	3
Taxes/interest	-2	-1
Net (Loss)/profit	3	2

**Table 4 Airbus Profit and Loss (2018-2019)**

	€ 2018 (euros and cents)	€2017 (euros and cents)
Basic Dividend	1.65	1.50
Number of shares issued	776M	774M
Shareholder structure and voting rights	74% (Public)	74% (Public)
	26% (Gov subsidiaries)	26% (Gov subsidiaries)

**Table 5 Dividends per. Share (Gross)**

The financial reports sent annually on December 31 to 'Companies House' in London are quoted in Saudi Arabian Riyals and not Euros. Remittances to the parent entity or profits retained for employee performance bonuses remain outside the sphere of public knowledge. Any surplus profit can be assumed to have made its way onto the



Airbus—the body corporate—consolidated profit and loss statement for 2018 (Table 4), with final dividends distributed amongst the public and government shareholders (Table 5). Temporary Organisation One established a relationship between business change and profit, with shareholders likely to benefit in the form of dividends.

Therefore, to make sense of change as a management practice within a temporary organisational setting, this thesis suggests (qualitatively) that any reduced surplus labour (SNLT (Marx, 1867, 1878, 1883)) resulting from transforming the delivery team was passed on in the form of an Airbus dividend payment. Whatever gains emerged in the two remaining years is considered attributable to the praxis of change management. By that point, headcount had been gradually reduced while deliverables were handed over to the Guard. Had the organisation continued its original trajectory rather than implementing change, it is possible that labour cost would have risen in the form of a highly leveraged and localised workforce, negatively affecting profit. Specifically, while targeted change was never part of a mandate to reduce labour, it is likely to have had a functional effect similar to Marx's (1887, 1885, 1863) notion on SNLT, discreetly impacting Airbus's final dividend payment in 2018 and possibly 2019. Moreover, surplus time (resources) would have been reduced due to change efforts on the part of the temporary organisation. In this manner, a newly implemented temporary organisation typically makes more effective resource decisions, thus maximising output and reducing the need to rely on external labour markets, with surplus-value being returned to the parent entity.

The benefactors of the value generated were the shareholders, such as institutional investors, together with the Spanish, German, and French governments (26%), with the remaining majority perceived by the public (74%) (Table 5). While there has been no analysis beyond this point, such dividends are likely to benefit society's broader parts. Furthermore, in the Airbus case, with the government as the 26% shareholder, dividends accrue to social security, foreign aid, military, or infrastructure. Likewise, dividends paid to the public end up as income, servicing household debt, pensions, or are earmarked for additional household spending. Although further analysis is beyond the scope of this research, there is undeniably an underlying link between the practice of change management within the temporary organisation and benefits to the wider parts of society, achieved through socially necessary labour time SNLT (Marx 1887, 1885, 1863)

Anecdotally, it was the change in delivery capability (WW) that overcame some of the difficulties in transferring knowledge. Despite the business being ultimately driven by revenue (SS), the evidence suggests that, had the temporary organisation not linked delivery objectives to personal objectives (UU), the outcome may have been different, manifested in either reduced scope or significant over-runs affecting profit at the Airbus level, of which the temporary organisation is an integral part.

Any assertion that the HR function was irrelevant contains weaknesses. The question remains, how did the temporary organisation, as a discrete entity, move away from instances of parochialism and ambivalence in the life of the contract to an organisation that was seen to be delivering on its obligation? There are indications that value-

focused management linking personal objectives to delivery outcomes positively affected the organisation's ability to deliver. Management controls, such as the organisational change that was intrinsic to delivering its contracted obligations, were used as levers and pulleys to control and direct resources in a structured way.

Had the temporary organisation continued the same trajectory and never embarked on this transformation, the effect of such a choice remains an open question. Many projects before this change, if not all, had flaws such as overruns or changes to scope—or were cancelled. Responsibility is shared by the temporary organisation and Airbus HQ leadership, with the problem compounded by indecisiveness on the part of the MOD and Guard prompting frequent scope changes. This research suggests that these symptoms arose due to reporting lines and personal management plans that may have been inadequate for delivering complex projects. However, neither the interviews conducted for this research nor the fact that the temporary organisation changed its structure proves this; the evidence suggests that change—as a management control function—positively influenced contractual timeframes, although not that it was a panacea to successful delivery, as this cannot be adequately quantified. This research also points out that, on the other hand, organisational structure changes were enablers for stakeholder management and other practices to flourish.

#### **5.3.2.6 Value in use, labour and exchange value**

While the commercial mandate obliging Airbus to deliver a secure telecommunications system somewhat surpasses the Macdonald *et al.* (2011) notion

of value-in-use, the challenge is to define its multi-use purpose. This notion is esoteric in that Airbus delivered a system of this kind, amongst other deliverables, to the Guard. One might argue that it would in any event have provided the Guard with an operating telecommunication system that enabled armed forces to communicate more effectively, protect the nation's sovereignty, and reinforce its citizens' security. The very notion that change and stakeholder management played a role in this, while at first glance extraneous, infers that management properties contained within the temporary organisation acted as enablers, as an enhancement to the process followed by way of perceptions of value-in-use (Macdonald et al., 2011) or achievement of a multi-functional solution (Menger, 1871). This observation addresses the acid test otherwise stated as follows: *would Airbus have continued to deliver these commercial outcomes and provide value in use (Menger, 1871; Macdonald et al., 2011) if such management practices had either been omitted, or if such events had never taken place?* The mere suggestion that stakeholder management does not exist in even the most immature organisations implies that communication channels or pathways have entirely broken down and would fail to deliver on its commercial objectives; therefore, such practices, however dysfunctional, must be considered present even in the most uncompetitive organisation; otherwise, organisations would cease to exist. The problem lies in attributing to both change- and stakeholder-management practices, if not quantifying their due role in generating it. A more acceptable way of overviewing such practices may be as enablers that exist discreetly within the temporary

organisation with a potential link to value-in-use. However, without further data, such assertions remain intuitive.

By examining Temporary Organisation Two, empirical financial evidence suggested a need for organisational change to placate various stakeholders across the delivery estate. Given the scarcity of supporting data on labour time and costs, a relationship could not be proven between those costs and SNLT (Marx 1887, 1885, 1863)

#### **5.3.2.7 Stakeholder analysis in the temporary organisation as a pathway to value**

#### **5.3.2.8 Cultural dissonance**

Since a pan-European organisation like Airbus faces many coordination problems (Hall and Soskice, 2001) within its local operations, cultural dissonance highlights the manner in which it functions and behaves. In one interview, the discussion turned to environmental factors influencing the organisation and the way they affected delivery outputs. The interviewee claimed that cultural factors constituted a significant challenge to delivery (CCC). In contrast, the interviewee contended that this was not about Western or Saudi cultural polemics. According to the interviewee, there was a culture of taking the lion's share of work from some locals. According to this contention, expatriate personnel strived for total control over the work produced (CCC) on the pretext of promoting accountability. Such exclusions meant that Saudi nationals were frequently unable to fully take part in delivering commercial objectives. Meanwhile, the work that was submitted was of high quality, often requiring little rework. By allaying fears and promoting a practice of 'speaking up', the

organisation may have led to Saudi personnel enjoying a greater voice in the business, admittedly at a cost in compromised output or increased training load.

This issue prompted further discussion about ethnicity across the broader Airbus organisation, particularly among Saudi personnel, and the profound but often-invisible effect on the organisation's culture and its composite structure. The interviewee described the culture as familial (CCC). Oral traditions are a dominant facet of the Bedouin lingua franca, which maintain a rich oral history. The implication was that the Saudis are members of a storytelling society where knowledge is orally passed from one person to another (Rainey, 2016). While Bedouin culture has moved on from its nomadic roots, some cultural traits remain, albeit in varying forms and degrees. This research does not assert that a knowledge transfer culture in written form does not exist within the organisation: it does. The challenges arise when anglophones dominate the possession and transfer of knowledge. At its most pronounced, this asymmetry limits locals from fully immersing themselves in an environment that is aimed to deliver commercial outcomes. Alternatively, the tradition that knowledge is—in part—transferred orally could act to engage between those delivering commercial outcomes and local custodians of existing assets, a circumstance in which the temporary organisation was expected to operate. Irrespective of where the problem lies, it highlights the need for local personnel to be fully engaged and trusted (DDD) to drive superior outcomes. As a corollary, although the organisation generated several facets of value, stratified as it was between locals and expatriates, greater inclusivity between the populations could have had profound

and positive effects on delivering commercial outcomes to supplement inherent value in the social sense.

### **5.3.2.9 The temporary organisation and managing stakeholders in an ethnically diverse environment**

This section maintains that stakeholder management is an authentic management practice rather than an organisational blueprint in dialectics. Further, the analysis argues that people and outcomes are readily influenced by targeted stakeholder management, albeit in a less structured way than change controls which aim to supplement structures and boundaries, often heavily bolstered by technology. Furthermore, like the sketch above about inclusivity, professional management of stakeholder interests should transcend these boundaries. This next section explores stakeholder management, the tools used to render it an enabler to influence outcomes, and how outcomes attributable to the temporary organisation transcend organisational boundaries.

In some ways, Airbus has better administered 10-year contracts in an unstructured environment than in a structured one, primarily by managing stakeholders. In one of the first interviews conducted for this case study, the engagement manager commented that he could not influence delivery outcomes (FFF). While this is a simplistic notion, it underscores a much broader inference that stakeholder management has a much more critical role to play than the structure of the organisation itself. Similarly, at the interview, the portfolio director claimed that collaboration and engagement were essential to success, while their absence led to

failure (GGG). The portfolio director did not downplay his decision to promote the wider business to adopt and link personal objectives to bonuses or implement change to the organisational structure. At the same time, collaborating, engaging, and forming relationships with various actors enabled him to influence outcomes positively.

Given the often adversarial relationship between the wider Airbus and the MOD, in the context of an apathetic supply chain (OOO), this research suggests that stakeholder management's role is vital in coercing stakeholders to drive outcomes. Likewise, it is presumed that stakeholders were not (at least entirely) consciously aware of the tools they used to collaborate with the other party; instead, participants perhaps assumed they engaged in ordinary dialectics to influence outcomes. Other stakeholder engagement functions were never tested, despite their use being cited; these included formal meetings with the customer, supply chains and internal stakeholders accompanied by reports, terms of reference and other controls that boost the wider stakeholder engagement function. As their efficacy is mainly implicit, they were possibly developed as audit-passing criteria. The organisation unquestionably engaged and adopted stakeholder-management practices used by many industries and adopted stakeholder-interaction tools to manage adversarial relationships.

There was no direct evidence that the organisation ever used "informal [...] contracts" (Harrison and St. John, 1996) to influence stakeholders and drive outcomes and decisions; this does not, however, mean they did not exist. Given the significance of



the often fragile relationship between Airbus and the MOD, the stakeholder-management tools mentioned above cannot have been sufficient on their own. While it was observed in meetings that “we need to get this stakeholder into this position” (Meeting 1), such discourse hardly constitutes an informal contract, even though some view the “firm as a nexus of contracts” (Antonacopoulou and Meric, 2005, p. 74) which can be used as instruments to hold people or groups to account and to drive outcomes. Therefore, there is a requirement to use theory to define the dominant stakeholder approach involving the customer, the supply chain, and the internal workings of the temporary organisation.

#### **5.3.2.10 Stakeholder typology**

Even though Harrison and St. John (1996) state that “informal [...] contracts” (p. 58) are better than engaging with stakeholders formally, there is no empirical evidence to advocate this observation. Banks and Vera (2007) suggest that the contract is merely a metaphor that describes stakeholder transactions, and that stakeholder management is a “nexus of contracts among cooperative and competitive interests” (p. 1). To help the temporary organisation deliver its commercial obligations, it needed to engage with a portfolio of stakeholders within the wider Airbus organisation, its supply chain and the customer. However, that which can be deduced from observations such as “we need to get this stakeholder into this position” (Meeting 1), urging to “influence outcomes” (FFF) and to “be ‘straight’ with the stakeholder” (KKK) points to engaging individuals. Such engagement was intended to drive decisions, e.g. by mitigating risk, where stakeholders in the supply chain could affect outcomes. Since

these positioning statements are anything but contractual (although their final position might end in some type of contract), it is useful to draw on theory to inform on stakeholder management style. Banks and Vera (2007) argue that existing stakeholder theory has failed to “(a) categorise firms based on their strategy for developing and deploying resources to stakeholder management activities and (b) connect these heterogeneous firm-level strategies to performance outcomes”. They address this gap by proposing a new two-dimensional stakeholder typology, with a view to “what stakeholder management strategies [the] firm... adopt[s]” (2007, p. 1). This typology characterises an organisation as either a “proactive explorer [or a] reactive exploiter”.

*[A] firm is a proactive explorer when (a) its ex-ante strategy is to seek out a new stakeholder contract or experiment with an existing contract and (b) its ex-post strategy is to respond to a claim based on stakeholder participation, innovation, anticipation, and cooperation. A firm is a reactive exploiter when (a) its ex-ante strategy is to avoid search costs and maximise the value derived from an existing stakeholder contract and (b) its ex-post strategy is to fulfil[.] that contract [based on] consistency and compliance. (2007, p. 4)*

At the same time, Banks and Vera recognise that organisations may be pulled between “proactive explorer [and] reactive exploiter” and call for organisations to be “ambidex[trous]” (2007, p. 5) to allow for flexibility.

At the prima facie level, Temporary Organisation Two was not a “proactive explorer” (as of the period under study) as it did not seek to develop new stakeholder

relationships. In the final two years of a 10-year contract, Airbus Saudi Arabia was to cease trading at the end of 2019. Concurrently, Airbus was looking to "reduce costs and maximise value"; therefore, the temporary organisation would have been focused on its existing relationships, both internally and with the existing customer or supply-chain stakeholders. Further, and with the positioning statements observed, the temporary organisation would have been seeking "partnership [and] cooperation" to fulfil its ex-post commercial obligations, rather than working on areas of "compliance and consistency". A counterargument might be that after making changes to its structure, Temporary Organisation Two became a "proactive explorer" because its ex-ante strategy changed to "experiment with the existing contract". The reason for this is that people within new positions would have had to establish new relationships. However, even if members of the temporary organisation developed new relationships, this would only be provisional before returning to a "proactive explorer" approach.

Existing knowledge structures within the team could easily have been accessed to maintain existing relationships. However, a more likely mode would have been to insist on cooperation and shared interests amongst the stakeholder community for its ex-post position, placing it directly onto the "proactive explorer" (p.4) continuum. These are all polemic contradictions between ex-ante and ex-post strategies regarding adopting a final stakeholder position. However, the temporary organisation was primarily focused on seeking cooperation with existing stakeholders, so it is arguable that, only in the final stages of the head contract, the temporary organisation was

predominantly coalescing along the "reactive exploiter" continuum. So, how did this manifest in terms of cooperation and participation?

The engineering manager claimed that the temporary organisation and the wider Airbus organisation had to change its mentality, from apathy (HHH) to a 'can-do' attitude (III); that people within the Guard were sometimes too indifferent to participate in its defence capability. While the portfolio director was partly successful in influencing outcomes both within the organisation and in the clients' domain (UU), the process of managing stakeholders was less obvious, particularly in the earlier phase of the contract. For example, one senior project manager claimed it was easy to be dissuaded from attending the site, also known as Government Furnished Assets, because records were incorrect and the site never existed (III) or, more frequently, the Guard refused access to the site. However, he observed a shift in behaviour in the latter two years (2018–19). More significant effort to persuade the Guard to grant access to the site, or escalate the issue to senior management, progressed outcomes. This renewed motivation does not explain how a change in one person's behaviour propagated to the rest of the programme, as the interviewee implies (III), except that this person's volition seemed motivated by his integrity rather than merely deflecting the problem back to the Guard.

Another senior engineer stated that this renewed effort to engage with stakeholders reduced resistance (JJJ). The interviewee stated that trying to collaborate and act on goodwill rather than on the commercial contract's demands created a more trusting relationship. This goodwill was not about creating contrived environments, but that

candid honesty influenced outcomes (KKK). The interviewee claimed that this, in turn, built trust, but only after initially delivering on his word (III). It paved the way for greater reliance on the temporary organisation's services. Furthermore, he argued that being candid was the only path to influence outcomes and that telling the truth about the state of items being delivered (NNN) reinforced confidence and influenced stakeholders. Partnership (JJJ) and frankness (NNN) projected an image of dependability, paving the way to a more receptive customer who was open to being educated (LLL).

This thesis suggests that the temporary organisation at least fits within the Banks and Vera (2007) framework but, more importantly, had formulated a stakeholder management plan, albeit tactical and poorly documented. The temporary organisation adopted various tactical positions at specific points throughout its commercial contract to manage and influence outcomes across a broad spectrum of stakeholders. However, there was scant evidence of means adopted explicitly by the temporary organisation to alter stakeholder positions; instead, the interviewees pointed to tools or policies used to inform the commercial relationship's governance.

#### **5.3.2.11 Shadow Learning**

Under the rubric of stakeholder management, educating stakeholders (LLL) was a possible tool to enable stakeholders to advance. Airbus, and by extension, the temporary organisation, never used traditional training methods, such as eLearning or industry training; instead, the customer and supply chains (OOO) were coached on the job or shadowed the temporary organisation. For example, one-on-one training

usually involved some two-way dialogue, often describing the responsibility of those leading the task, the correct sequencing of steps taken, and general discussion about the process. This training technique suggests that educating stakeholders as part of standard project delivery was a means of managing and motivating stakeholders, used tactically to influence outcomes and manage expectations. It could be argued, however, that educating the stakeholder (LLL) hardly constitutes a specific management practice that forges partnerships.

Some academics (Wilson, Goodman and Cronin, 2007; Mason and Watts, 2012) focus on the misalignment between group learning and stakeholder development. This thesis argues that the two are not dissimilar but are ultimately orientated differently. Group learning addresses many requirements (Bell and Hernandez, 2017), while stakeholder development tends to be more dynamic since membership is stratified, and resources underline power affiliations within each stakeholder group. Coordinating amongst stakeholder groups, "who can affect or [are] affected by the actions, decisions, policies, practices, or goals of the organisation[s] interests" (Tan, Pan and Lim, 2007, p. 66), such as the stakeholders Airbus faced, poses challenges.

Unlike group learning (Wilson, Goodman and Cronin, 2007; Mason and Watts, 2012; Bell and Hernandez, 2017), stakeholder education has engendered limited research literature, although some attempts were initiated to legitimise its place in management practice under the wider pantheon of stakeholder management. Oonk, Gulikers and Mulder (2013, 2016) argue that stakeholders can benefit by acquiring new knowledge; however, stakeholders should be distributed across multidisciplinary

pedagogical boundaries (2013, 2016). For example, “[’]RLE<sup>9</sup> for planning students' learning, and the added value of working in multidisciplinary student groups, with multiple stakeholders and [...] a high coaching intensity" can bring significant benefits (2016, p.534). These studies (2013, 2016) relate to the pedagogy profession but suggest that many professions cross boundaries, thereby reaching into and interacting with other professional disciplines; the only way to overcome this is collaboration.

Oonk, Gulikers and Mulder (2013, 2016) further argue that to collaborate effectively and work across disciplinary boundaries, pedagogues (or planners) must understand variations in disciplinary environments, to include concepts such as “needs, intentions, values, norms and beliefs, and inequities in power” (2016, p.535). They argue that education for stakeholders and multi-disciplinarians requires careful design to realise benefits. However, while Airbus had multifaceted stakeholders from various backgrounds, there is little evidence—observed or described in interview transcripts—of "boundary-crossing", that is, careful planning of training or coaching for stakeholders. This phenomenon does not mean that coaching or training of various stakeholders did not occur or that stakeholders were incapable of being trained to participate in outcomes; instead, this thesis argues that such efforts were more nebulous than strategic. The anecdotal evidence in previous research indicates that

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teaching stakeholders in a complex (Mason and Watts, 2012) and multidisciplinary environment (Oonk, Gulikers and Mulder, 2013, 2016), such as that encountered by this temporary organisation, has limited benefits.

Antonacopoulou and Meric (2005) maintain stakeholder relationships can be understood by using a “knowledge lens” to analyse relationship dynamics. Central to their theory is the notion that contracts underpin “learning partnerships” (p.126). Given the degree of interdependency among stakeholders, these contracts are fortified by the social capital that forms a complex web of relationships which, in turn, the learning partnerships are well-situated to enhance.

These researchers identify “three dimensions [supporting] social capital—structural, relational and cognitive [in which] the structural dimension” (Antonacopoulou and Meric, 2005, p. 136) resembles a framework within which to operate. In Temporary Organisation Two, the commercial contract would have supplied the structural dimension, which was instrumental in assigning Airbus as the prime contractor while defining the supply chain that that contractor managed. It is customary for such contracts to set out formal arrangements between stakeholders and the framework in which they operate. Their second dimension, the relational, is reflected in the comments at the interview regarding networking, emphasising the importance of developing trust (Antonacopoulou and Meric, 2005; NNN) and valuing obligations (III; KKK). Concerning the final dimension, cognition, they state that “[in the] subtleties in day-to-day interactions, shared narratives and language also play an important part” (2005, p. 137); this is reflected in the engagement by the temporary organisation in



semantics (TTT) as well as its more extensive interaction with the stakeholder estate (KKK).

This section has highlighted educating stakeholder personnel as a management practice. Although coaching (OOO) and desktop training were discussed earlier, other delivery methods, such as shadow learning (Observation 1), were also targeted for critical observation. The exercise centred on the MOD's PMO Manager, who shadowed the temporary organisation's PMO manager to develop a suite of reports. Their roles were to protect the Saudi National Guard's capability by providing unbiased assurance rather than delivering specific commercial outcomes. The emphasis here is on administering the temporary organisation's stakeholder relationship, using training of MOD-nominated personnel as a targeted management practice. While existing theory (Antonacopoulou and Meric, 2005; Oonk, Gulikers and Mulder, 2013, 2016) explores stakeholder learning, the authors do not outline the precise delivery methods. This thesis argues that shadow learning has become a tool to assist and help manage stakeholders. The focus on shadow learning seems to assume that it is a specific practice based on planning, outcomes, and benefits, like coaching (MMM) and desktop training. Beane (2019) notes that shadow learning, being less structured than other forms of stakeholder education, could be embedded as a discreet teaching method within broader management practices. In Airbus's case, shadow training techniques as an element of stakeholder management helped maintain partnerships (JJJ) and restore trust (NNN) in a situation where it had previously broken down. However, the conclusion that shadow learning was a

conscious stakeholder management element must remain tentative until further evidence is to hand.

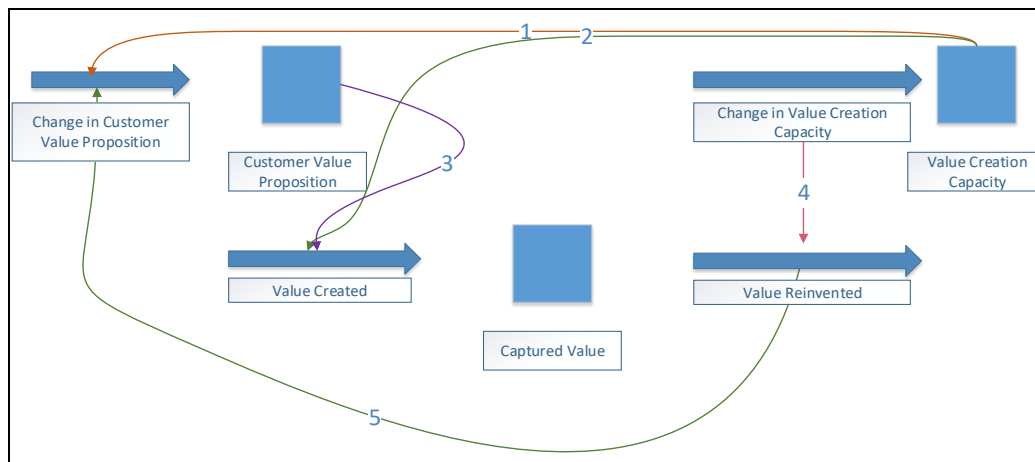
### **5.3.2.12 Feedback Loops**

Other facets of the interview data related to stakeholder management include the cycle of feedback from the portfolio manager to the customer and back again. According to the portfolio manager, this observation was critical to success and transparency, with each feedback loop (MMM) proving pivotal, not only to delivering outcomes but also to defining them. The loops established trust, built transparency and created momentum, but, most of all, they were kernels of truth that dispersed noise in a complex programme. While one could argue that many of these characteristics are present in many, if not all, organisations, the striking fact remains that feedback loops served a vital function in stakeholder cooperation. What literature demonstrates the role of feedback loops as a genuine stakeholder management practice? Again, difficulties arise when attempting to attribute specific feedback loops (MMM) to productive stakeholder management processes. Feedback loops befittingly seem more apt to the school of communications or systems management than organisational management. Regardless, this critical observation (MMM) pertains to the challenging communication environment overshadowing the parties' adversarial relationship, in which feedback loops facilitated arriving at decisions jointly. Does existing literature address feedback loops as a stakeholder management practice, and can they influence outcomes? While from the evidence gathered, it would appear that feedback loops among stakeholders aided product asset development or improved

productivity across the portfolio, multiple disciplines use feedback loops for different purposes, including the monitoring of systems dynamics (Abdelkafi and Täuscher, 2016). Abdelkafi and Täuscher claim that these loops create value between the stakeholder and the firm (2016). They theorise that there are two possible feedback loops,

reinforcing (positive) and balancing (negative). In a reinforcing feedback loop, the system can move in one direction [or another], either growth or decline. In contrast, a negative feedback loop has a balancing effect and counteracts growth or decline, leading the system to threshold values.

At this point, this thesis temporarily suspends any discussion of value itself so as to avoid confusion, as Abdelkafi and Täuscher do not adequately define what value is. The intention is to examine feedback loops among stakeholders to understand how they influence delivering commercial obligations or capabilities. Abdelkafi and Täuscher's model shows positive feedback loops driving value in a linear direction. However, can this be construed as stakeholder management, and does this model show the importance of feedback loops in driving capability or influencing it in one direction or another?



**Figure 18 Reinforcing Feedback Loops (Abdelkafi and Täuscher, 2016, p.80)**

Points 4 and 5 of Abdelkafi and Täuscher's model (2016) focus on systems growth, based on the premise that the business can create value—or, in Airbus's case, capability. On Point 4, they argue that reinvesting profits “can increase customer propositions to develop new [capability]” (2016, p.80). As discussed above, the temporary organisation and, by extension, Airbus Saudi Arabia routinely made annual profits, including in the years in which organisational change was implemented and operated (2018–19). Since it remains unclear whether profit or retained earnings were returned to the parent company or reallocated within the temporary organisation (i.e. the local Saudi operations) to drive capability, this model is opaque. The model does not precisely conceptualise the role of the stakeholder in feedback loops. Therefore, we must superimpose stakeholders in our imagination as system-actors. However, if we do so using feedback loops to influence capability, how does this model legitimise feedback loops in a temporary organisation?

The Abdelkafi and Täuscher model confirms that feedback loops were an essential factor in cementing decisions to reduce barriers where stakeholders would have

ordinarily withdrawn to their original position as adversaries. No additional capability appeared from the data collected, except that they constituted an essential feature under the stakeholder process, primarily with senior management to help drive decisions.

According to those interviewed, business intelligence (QQQ) aided customer and supply-chain impartiality. While feedback loops (MMM) garnered validity and played a role in the broader notion of stakeholder management (LLL), business intelligence—as an adjunct—mostly likely attested messages by reinforcing key concerns, in the process affirming the direction of travel in terms of progress while clarifying any misunderstandings. Feedback loops (MMM) formed in the course of education services to the customer and supply chain would not be feasible without business intelligence. (QQQ).

According to the portfolio director, the temporary organisation could not have met its objectives if it had not been able to help the customer achieve its own. While building rapport (JJJ) and defining the organisation's structure (WW) were significant, avoiding failure and risky contract extensions meant understanding what the customer wanted. This gap was bridged in a multifaceted, synergetic way through feedback loops (MMM) and education (LLL) under the stakeholder management titular.

### **5.3.2.13 Social Value**

One of the literature review pillars was the idea of social value. Blankenburg Holm et al. (1999) maintained that inter-organisational networks could buttress the value creation process. They focused on the processes of realising value, emphasising that

it requires three dimensions: "mutual dependence, mutual commitment, and business network connection[s]" (p.470), "[amongst] a constellation of firms [which includes the customer]" (p 470).

Given that the temporary organisation fits within the proactive explorer status, as modelled by Banks and Vera (2007), it would suggest a well-established business network connection because of its economic performance amongst peers (Blankenburg Holm et al., 1999). The kernel of their thesis hinges on interdependency within the existing business networks. More specifically, they argue that interdependency comprises a complex set of activities, including mutual adjustments, both endogenous and exogenous, within each firm to bring about better alignment amongst them. Firms modify activities to achieve this alignment, which may include planning, processes, or joint production, regarding which they assert "[that] each unit performs speciali[s]ed activities that are instrumental to the achievement of the broader system. Blankenburg Holm et al. (1999) contend that value emerges from these systems' economic performance. Therefore, how does the interdependency documented in the Temporary Organisation Two analysis cohere with their theory? While there is an established business network, the litmus test is the process of determining the extent to which supply chains, customer networks, and other interdependent organisations could drive mutual commitment through incremental pledges. The researchers tested their thesis using chi-square and a probability estimate to determine node interdependency amongst a causal relationship. This

thesis can only characterise change and stakeholder management against their (1999) work.

The firms' interdependency, together with the mutual pledges and acts of commitment that ultimately drove partners' obligations, amplifies the importance of change management on the part of the temporary organisation. Determining the degree to which the supply chains and customer networks displayed mutual commitment is somewhat extraneous, except that contractual responsibilities bound them. However, indications predominate that perceptions from financial analyses may have influenced commitment to make changes within the temporary organisation.

While this suggests that interdependency exists from the temporary organisation's standpoint, establishing interdependency amongst other parts of the exogenous delivery networks becomes more challenging. Although their (1999) theory suggests that internal functional relationships were more effective as a portal to realising value, Blankenburg Holm et al. (1999) limit their definition of the nature of value to economic performance. Social value remains likewise undefined.

Tsai and Ghoshal (1998) suggest that positive internal relationships, known as social capital, can be generators of value. While there is no direct interview data to hold up the existence of positive internal relationships, this thesis does not suggest otherwise—it can rely on the tentative notion that feedback loops, at least in the practical sense, are a form of social capital embedded amongst an existing kaleidoscope of relationships. Tsai and Ghoshal (1998) define the expression of value

as the number of new products innovated annually. While this research did not investigate product innovation specifically, it could be viewed inversely as the development of new technical solutions to address gaps or weaknesses in existing ones. It was informally observed that there were many 'workarounds' as an adjunct to existing customer-accepted solutions. However, this thesis argues that feedback loops were a conduit to positive internal relationships embedded as a discrete function amongst heterogeneous relationships in the temporary organisation. This positivity reinforces the view that feedback loops stand out as a value-generating property. Keeping in mind that Tsai and Ghoshal (1998) adamantly define value in terms of new products innovated, this marks a distinct departure from how value has been considered traditionally. Having explored labour and technology together with their relationship to value, primarily based upon Mill's (1848) treatise according to which technology can reduce labour time, this thesis allows that value can be realised as a function that the market commands. Given the extremes between feedback loops and that which can be exchanged at the market (Mill, 1848), the present work merely considers the connection between the two.

While the Prahalad and Ramaswamy (2004) theory centred on equal partnerships between the business and the customer, in the instance of the parent entity and its Customer network as mentioned within Airbus's Temporary Organisation Two such equality was far from assured. However, it can be said that aspects that corresponded with their (2004) theory centre around "dialogue, access, [...] and transparency" (pp.7–9) leading to organisational change, proved extremely useful in promoting a



cooperative dialogue, increasing transparency and promoting a culture of openness. In this way, the unintended benefits of organisational change within the temporary organisation team may have aided a more effective and collegiate relationship at the inter-organisational level.

The somewhat misleading term "social value" implies a benefit to the broader parts of society. For a better word, "social capital" (Tsai and Goshal, 1998, p. 464) describes relationships that are potentially value-generating at the inter-and intra-organisation level—or within the temporary organisation. Interesting parallels may be drawn between "social capital" (Tsai and Goshal, 1998, p. 464) and value, but there is little evidence that such an exercise has any significant impact on value theories. Instead, feedback loops, the stakeholder typology and shadow learning are symbiotic functions discreetly embedded in the temporary organisation, suggesting that these are value-generating properties. More quantifiable research between such properties and value need to be conducted.

### **5.3.3 Concluding Summary**

Change management and stakeholder management, by way of their innate characteristics—that "meanings, sensemaking, and knowledge are relative to the time, place, and manner in which they are constructed—in the everyday interactions of people" (Cunliffe, 2011, p. 10) reaffirm their legitimacy as management practices within a temporary "project-based organisation" (pp. 25-27). The evidence explored

and analysed to date suggests their prominent role in positively influencing commercial outcomes due to careful attention to human behaviours.

While these practices' relationship to value may remain tentative, their legitimacy when applied within the temporary organisation has illuminated the importance of controlling 'change-' and 'stakeholder-' management functions about any project-based organisation. This formation contrasts with that which Lundin et al. (2017) describe as "repetit[ion] of regular project operations":

"Each time a new bread-and-butter project is started in a [project-based organisation] context, there should be ample opportunities to reconsider the way projects are carried through and renew processes, but often repetition of behavioural patterns from the past dominates" (Lundin *et al.*, 2017, p. 27).

These 'repetitive' processes, of 'change' and 'stakeholder' management as this thesis refers to them, come from standard practices amongst the wider project community. Such practices admit the idea that for Airbus—both as the prime contractor in this commercial arrangement and as a temporary project-based organisation—'change' and 'stakeholder' management practices figure strongly as part of day-to-day project management. However, the importance of management practices as a reliable value-generating agent, one that should be adopted by practice, is also highlighted.

## 6.0 Findings

### 6.1 Introduction to Findings

This findings section looks at three dominant themes, which this thesis argues are value generators and thus play a meaningful role in the original contribution to practice. Due to the different nature of the two organisations, and their boundaries, the following *ex post* table gives a conceptual overview of findings at a glance.

Organisation	Strategy and a definition of value in place?	Intended outcome	Labour value	Social Value
<b>Temporary Organisation One</b>	Overarching Strategy: Yes Definition of value: No	Implementing universal organisational change	Exogenous (SSC)	Shared Services centre provides greater welfare
<b>Temporary Organisation Two</b>	Overarching Strategy: Yes Definition of value: No	Implementing change inside the temporary organisation	Endogenous	Greater perceived civilian security

**Table 6 Comparative Findings at a Glance**

### 6.2 Findings

#### 6.2.1 The value of value

The evidence in this research suggests that the temporary organisation has served as a vehicle for generating value over and above the benefits or the capability defined in the temporary organisation's terms of reference, but this must remain inconclusive for now. A broader question is, if value is a negligible concept—merely a footnote in

an organisation's charter—then is its pursuit worthy of the temporary organisation and, by extension, the parent entity and its orbiting institutions?

Neither temporary organisation expressly defined value, nor was the pursuit of value an existential goal. Instead, their objectives were capability- or benefit-driven. A hedonistic question applying to an organisation's pursuit of meaningful value could be posed: 'What's in it for us'?

Assuming value is benevolent, it follows that, if the appropriate processes, controls, and schemes are in place to realise it, the temporary organisation is well-situated for its creation. Initially expressed as a generation of profits for the business, value would emerge beyond the enterprise's immediate realm. A motive exists for organisations to be actors in the free market economy, an environment in which each may realise value. This thesis returns to Adam Smith, whose other seminal treatises, *The Theory of Moral Sentiments* describes the market economy as:

*[The rich ...] led by an invisible hand to make [...] the same distribution of the necessaries of life which would have been made had the earth been divided into equal portions among all its inhabitants, and thus without intending it, without knowing it, advance the interest of the society, and afford means to the multiplication of the species. (cited in Viner, 1927, p.204)*

Organisations—temporary or otherwise—are accomplices in this free market process. They need to transition out of this dormant state and superimpose themselves as actors in the value co-creation process, re-defined as instruments beyond the domain of simply serving customers and shareholders. Extending Smith's proposition further,

the theory of the firm illuminates a compelling argument whereby an enterprise, and by extension the temporary organisation, should integrate value creation as a praxis. Not only “[are they] [...] complex mechanisms for coordinating and motivating individuals’ activities” (Holmström and Roberts, 1998, p. 75), temporary organisations may possess the potency to override certain market structures which hinder the evolution of the parent enterprise (Clarke and McGuinness, 1987). The theory of the firm gives a glimpse of the mechanisms beyond the existence of the temporary organisation and a convincing reason for any organisation, for that matter, to serve as an agent of value generation. Providing that value is defined clearly, and the temporary organisation applies its potential to the value-generation process, then there is a legitimate role to be played.

An enduring theme throughout this research has been in the definition of value. Further in this section, this research will outline future research opportunities to better define and structure value, extending beyond the notions of commercial gain, customer benefit or shareholder profit. To permit value to be demonstrably generated, the persisting requirement is that value itself must be defined. Neither the temporary organisation nor the parent company definitively specified what value is, or the processes for achieving it, although the present discussion strives to provide a basis for seeking value by way of conceptualisation (please refer to 2.1.1 Value—an introduction).

### 6.2.2 Social Value

Of two key findings in this research, the first, centred on social value, and the second, on the role labour plays in generating value, are critical elements worthy of further discussion. The creation of social value occurred as a central finding related to a primarily theoretical concept (Tsai and Goshal, 1998; Blankenburg Holm, Eriksson and Johanson, 1999; Prahalad and Ramaswamy, 2004), yet proved to be a significant facet emerging unintentionally within each temporary organisation. What was the significance of this finding?

The impact of social-value creation was two-pronged. Firstly, in both temporary organisations, social value corresponded strongly to theoretical concepts (Tsai and Goshal, 1998; Blankenburg Holm, Eriksson and Johanson, 1999; Prahalad and Ramaswamy, 2004) discussed in the literature review section, as an unpredicted result of either the occurrence of change within the temporary organisation (Temporary Organisation Two), or when implementing change into the broader business (Temporary Organisation One). Independent of either of these parent entities was the concept of social value beyond each temporary organisation's boundaries as a socio-economic benefit to society. In Temporary Organisation One, value manifested itself as welfare to the broader parts of New Delhi, while Temporary Organisation Two provided perceived assurance benefits by means of improving a sovereign nation's safety and security. These concepts also pertain to value-in-use, the premise that more than one use must emerge for value to occur (Menger, 1871). Temporary Organisation One opened a new SSC located in New Delhi, which not only provided a

semblance of a symbiotic relationship to the target country, but also yielded job security and welfare benefits to the parent entity at home. Temporary Organisation Two delivered a purpose-built telecommunications system affording social benefits through sovereign security. It was unclear from either organisation whether these social benefits were ever articulated in an original blueprint. Rather, in the case of Temporary Organisation One, the expected outcome was that of reduced operational costs for Company A while, for Temporary Organisation Two, profit-led dividends for Airbus. The two temporary organisations, and those with whom they contracted, may not have foreseen titular benefits beyond the commercial structures they established in order to deliver them. Lundin *et al.*, (2017) discuss archetypes and the role the temporary organisation might play in the political economy but it is questionable whether, in either of these two organisations, their position amongst the socio-economic institutions was taken into consideration at the outset. The same applies to Saudi Arabian citizens: the benefits to them were never understood to be other than strictly economic ones; they are often imperceptible, for that matter. However, the work of Temporary Organisation Two was nonetheless a vehicle to deliver outcomes that led to protecting the nation's citizens in times of conflict, in the process generating social value. Some practitioners may refute this idea, viewing these gains as unintended benefits of the project. Yet organisations, including temporary ones, need to widen their scope beyond a simple business justification so as to link value-generating processes to benefits outside the temporary organisation.

A subset of social value is cognitive processes, primarily around knowledge within the temporary organisation. Both Temporary Organisation One and Temporary Organisation Two witnessed progress towards knowledge transfer. Temporary Organisation One noted that knowledge points could asymmetrically form within a temporary organisation by influential figureheads. In contrast Temporary Organisation Two acknowledged that a rich dialectical tradition among the Bedouin community could spearhead outcomes. The two temporary organisations identified composite structure and culture (organisationally and ethnographically) as important components of the knowledge transfer process. In the case of Temporary Organisation One, according to Petrash's (1996) notion, allocating recognised knowledge points to intellectual assets may indeed be essential to transferring knowledge. In Temporary Organisation Two, it was observed that local stakeholders form part of that which Petrash (1996) terms the allocation system between knowledge points and intellectual assets. Neither temporary organisation discussed links to value, or even claimed that knowledge transfer created value. Instead, this thesis argues that knowledge transfer was simply a conduit to the process of realising value overall. Both analyses of knowledge transfer also mentioned the importance of culture to its occurrence, with Temporary Organisation One emphasising the importance of organisational culture, and Temporary Organisation Two identifying the role played by ethnic culture.

Taking the idea of knowledge transfer to the next logical step, more comprehensive social and employment benefits can be gained beyond the temporary organisation



sphere. Firstly, the knowledge-transfer process highlighted the prominence that the temporary organisation actors enjoy, with the tools and processes developed readily transmissible to the parent company and beyond. Furthermore, once the temporary organisation is dissolved, veterans of the process can use their expanded knowledge to help shape the parent entity's future by advancing existing ideas and further advocating the virtues of value enhancement beyond its boundaries.

Both temporary organisations relied on migrant labour. Temporary Organisation One relied on labour beyond the Aberdeen coastline and brought in specialists from all over Britain. In parallel, to further its pursuit of a secure telecommunications system Temporary Organisation Two hired foreign nationals to help the Guard. Knowledge systems, primarily from an acquisition perspective, provided migrant workers with insight into the local environment and offered political awareness unique to the physical location. Widespread in Temporary Organisation Two was an awareness of organisation politics (in the non-pejorative sense) made even more multifarious through bilateral exposure to cultural sensitivities. Embedding migrant workers in a unique political theatre allowed them to acquire a new mastery of political frameworks and ways of neutralising adversaries by confronting or repudiating them. While politics was never a dominant feature in case-study analysis, there is an assumption that political origins exist as a discreet adjunct in most, if not all, organisations. As a practice, political knowledge could be an extension of the temporary organisation's sphere, worthy of further probing for expatriates who operate in culturally-sensitive environments. This agrees with Sydow and Braun's,

(2018) assertion that the temporary organisation “[can offer] high levels of organizational flexibility and [skills for] coping with uncertainty” (p.6).

The idea of social value highlights the importance of the temporary organisation’s role and the possibility that social value may unintentionally provide benefits beyond theoretical concepts, apart from firm objectives intended to be delivered. Theory may have led this thesis to explore the role of social value within each parent entity’s confines where it played a vital role in welfare and job stability while, in the case of Airbus, demonstrably enhancing the client nation's defence capabilities. However, the theory accompanying this is that of value-in-use (Menger, 1871). This case-study research asserts that social value outside the entity comprising the parent and the temporary organisation was hardly ever manifestly clear, and never intended. It was unintentional, though naturally occurring, co-production activity evolving through strategic processes developed in the temporary organisation.

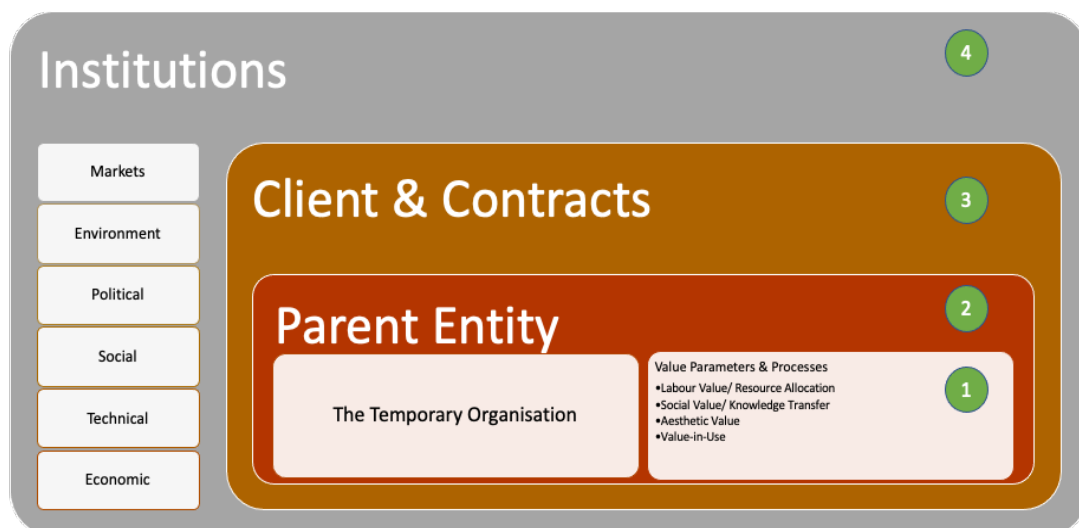
### **6.2.3 Labour Value**

A dominant feature of this research has been the contemplation of varying management structures and practices in the light of their relationship to surplus-value, through the prism of labour that is so often conveyed in monetary terms. Temporary Organisation One looked at strategy definition as a management practice, and its ability to coordinate labour in its new target operating model. The evidence for Temporary Organisation Two was less clear; all that could be inferred was an underlying relationship. However, financial analysis suggests that deliberate

organisational change—as a management practice—proved effective in legitimising the temporary organisation’s role as a value-generating agent. These two elements, and others preceding this section, highlight the distinction that not merely the open pursuit of material value but optimal social and labour-coordination praxes are important prerequisites for any enterprise’s advancement.

### 6.3 Future Research

In response to these challenges, this thesis advocates a reconceptualisation of value and the temporary organisation. The following paradigm aims to disambiguate and conceptually frame value in its key forms, the temporary organisation's context combined with spatial relativity to relevant institutions.



**Figure 19 Value Paradigm**

In the first layer—the temporary organisation—achievements would be defined against mandated deliverables. This layer describes the standards by which the temporary organisation is governed, its metrics for success and failure, and its roles

and responsibilities. It would also establish the ways value is created and its relationships beyond its boundaries.

For the second layer, the size of the parent entity which would benefit most by employing a temporary organisation's virtues remains undetermined. The total sum of employees for each parent company under this case study exceeded twenty-thousand employees—respectively. A clear imperative becomes evident to recognise a nominal size ratio at which the temporary organisation begins to function and deliver benefits beyond those mandated by contract. It is incumbent upon the next researcher to establish that ratio.

The third layer of the paradigm embodies Client and Contracts. Here is where the customers reside. The temporary organisation provides unique leverage while building, changing, or offering a new product to the customer's specific consumer market. Supply chains also occupy this space in which the temporary organisation may engage one or more suppliers to carry out specific tasks, which the temporary organisation either does not possess the skills to carry out or for which it prefers to avail itself of cheaper solutions through the supply chain.

The fourth element—Institutions—is where this thesis maintains that the temporary organisation may positively impact value in a manner similar to that which occurred by creating an SSC. Its parallel in Saudi Arabia was that of providing a perceived assurance function to enhance state security.

Circling back to this research's limitations, since the above paradigm remains untested and thus borders on the purely conceptual, it is postulated that value may emerge in

any of the layers, not least in the temporary organisation itself. Given the challenging nature of the value-definition task, this conceptualised model mandates that temporary organisations periodically reassess their value boundaries. Although value-generation in certain instances involving them has been regarded as dubious, temporary organisations implemented with an assurance that specific governance elements are in place have demonstrated contributions resulting in significant competitive advantage.

#### **6.4 Summary of Findings**

A requirement at the beginning of the research was to understand the effect of management practices, along with formulating value within a temporary organisational setting, and to see where the two converge. While it was clear that neither organisation explicitly defined value, the outcomes (intended or not) evoke theories of value, both in terms of labour and social value, as illustrated under Table 6. In each setting studied, the temporary organisation was influential in driving value-related outcomes. However, had either enterprise explicitly defined these from inception, more clearly-targeted value-outcomes may have resulted.

## 7.0 Conclusion

This research project's original premise implies that, since management practices incidental to the temporary organisation exert external influences, an effect on value occurs. Before discussing its own original contribution, this thesis argues that value, primarily labour- and social value, could be generated through tailored approaches such as constructive stakeholder relationships, conscientious change management, and iterative communications. Empirical evidence complements the perspective by indicating that, apart from their perfunctory role, management praxes exert value-generating properties that transcend organisational boundaries. In pursuit of an agenda to unmask value and the processes for its achievement, this research draws attention to the advantages that this form of value generation brings beyond the usual benefits to which a new operating model ordinarily aspires. While challenges were encountered in locating and anchoring value creation as a concept, this research suggests the deployment of governance structures and systems agreed by stakeholders to oversee their successful implementation to mitigate shortcomings. These are practical and necessary in organisations looking to master the creation of surplus-value, not only within the entity but also beyond it.

With the gains derivable from such structures in mind, the novel concept of a temporary organisation able to create value beyond the benefits articulated in a business case or blueprint has been highlighted by this research. Industrialists should

routinely be encouraged to adopt best practices from temporary organisations created to accomplish special tasks.

This said, this research does not advocate abandoning well-established project methods such as Agile and Waterfall. On the contrary, incorporating those methods, together with the corresponding know-how governing project teams and structures, into a temporary-organisation setting has demonstrated the potential to accelerate economic and social prosperity (Lundin and Soderholm, 1995)—and, as a corollary: the creation of surplus-value. Thus, the temporary organisation has figured as a controlled environment in which value can be analysed and better understood. At the same time, the temporary organisation's applicability to value generation underscores its credibility in modern-day organisational studies.

Although the above hierarchy of relationships highlights the temporary organisation's prominence, it may by itself fall short of demonstrating an original contribution to practice. The original question asked what are the influences of management practices in the temporary organisation, and their effect on value?

When considering the boundaries of a temporary organisation, value creation appears to most readily occur when three practices are prevalent:

1. Constructive stakeholder relationships
2. Conscientious change management
3. Iterative communications

This thesis has discussed the importance of each of these management practices, and their contributions.

1. **Constructive stakeholder relationships:** Stakeholder management has a much more critical role to play than the structure of the organisation itself. Collaboration and engagement with stakeholders at every level were shown to be essential to success, while their absence led to failure. Although wider business decisions linking personal objectives to bonuses or implementing organisational structure changes provided positive background, forming relationships with various actors of the stakeholder cohort overwhelmingly influenced results. This research suggests that management's role is vital in benignly coercing stakeholders to drive outcomes. In practical terms, to help the temporary organisation deliver its commercial obligations, it needed to engage with a portfolio of stakeholders within the parent organisation, its supply chain and the customer. Value was unquestionably built by engaging established industry stakeholder-management practices and adopting stakeholder-interaction tools to manage routine and—especially—adversarial relationships at the temporary-organisation level.
2. **Conscientious change management:** While this practice may be independent of the preceding contribution, it suggests that managing change in regard to labour—as both an asset and as a source of knowledge—figures as an essential element to the value-generation process. A newly-implemented temporary organisation typically makes effective resource decisions, maximising output and reducing the need to rely on external labour markets. Surplus-value is returned to the parent entity. To provide an instance of managing change



within a temporary organisational setting, surplus labour resulting from transforming the delivery team in Temporary Organisation Two was passed on as a dividend payment, with gains from the two remaining years attributed to the praxis of change management. This research found that coordinating labour both within the temporary organisation and as part of an overall change strategy has the potential to realise a profit—a value derivative. Each of the two temporary organisations examined asymmetrically coordinated labour through an exchange process, reducing output time for a product or service. This was the effect of Company A's decision to establish a shared-service centre centralising business functions to reduce time-variance and therefore cost. Although the practice could appear counterintuitive, this research found that dividing labour (Smith, 1776) according to business function resulted in cost-saving efficiencies. While Company A may have argued that this was technically not outsourcing, it was in fact transferring tasks to a workforce able to offer more competitive wage structures while still in a position to master routine tasks. Inversely, this process brought about increased social value to local communities—an unintended outcome for Company A. By coordinating labour into groups, which were then rearranged by function, surplus value was generated with both a social and bottom-line financial effect. In summary, conscientious change management positively influenced value at the level of contractual timeframes while, in the synergetic sense, organisational structure

changes were enablers for constructive stakeholder management and other practices to flourish.

3. **Iterative communication:** This research found that communication practices such as feedback loops and shadow learning in the context of sound stakeholder management methods precipitate value. Especially in the complex environment of Temporary Organisation Two, feedback loops were an essential factor in cementing decisions to reduce barriers where stakeholders would have ordinarily withdrawn to their original position as adversaries, since they brought practical benefits in terms of simplification. In any adversarial relationship, where feedback loops facilitate arriving at decisions jointly, they may be regarded as value-enabling tools, the cycle of feedback between operator and customer proving critical to transparency. Value is enhanced as each loop builds trust and creates momentum. Feedback loops become kernels of truth dispersing noise in a complex programme.

Conceived as a tool to enable stakeholders to advance, shadow learning evolved into a means of managing and motivating stakeholders, used tactically to influence outcomes and manage expectations. Assignments under shadow learning underpinned a degree of interdependency among stakeholders, fortified by a measure of social capital which the learning situation is well-situated to enhance. The emphasis here is on administering the temporary organisation's stakeholder relationship, using training of client-nominated personnel as a targeted management practice. In Temporary Organisation Two, shadow-training techniques as an element of

stakeholder management generated value by maintaining partnerships and restoring trust, in a situation where it had previously broken down.

By referring to this process as iterative, in the sense that it was repeatedly and consistently applied, its adjunct remained the constant flow of business intelligence, mostly in the form of attested messages reinforcing key concerns, while clarifying any misunderstandings.

While other management practices intrinsic to the formal realisation of the temporary organisations' objectives proceeded in accordance with steering committee directives, those illustrated by the case-study exercise detailed here as examples of value-centred practice may be expected, wherever these are applied, to produce a significant positive impact on enterprises in terms of returns perceived at all organisation levels.

Although these three findings appear unrelated, visualising the overall narrative helps to assimilate the complex processes that lie beneath them. Combining Table 6 (Comparative Findings at a Glance) with the management practices used to initially analyse data (please refer to Figure 7 and Figure 8) further advances our understanding. Indexing management practices and outputs (NVivo nodes feed into management practices/outputs) while attributing them to value theory assists with contextualising and relating practice to value.

7.1.1

Cause and Effect Conceptual Diagram of Temporary Organisation One

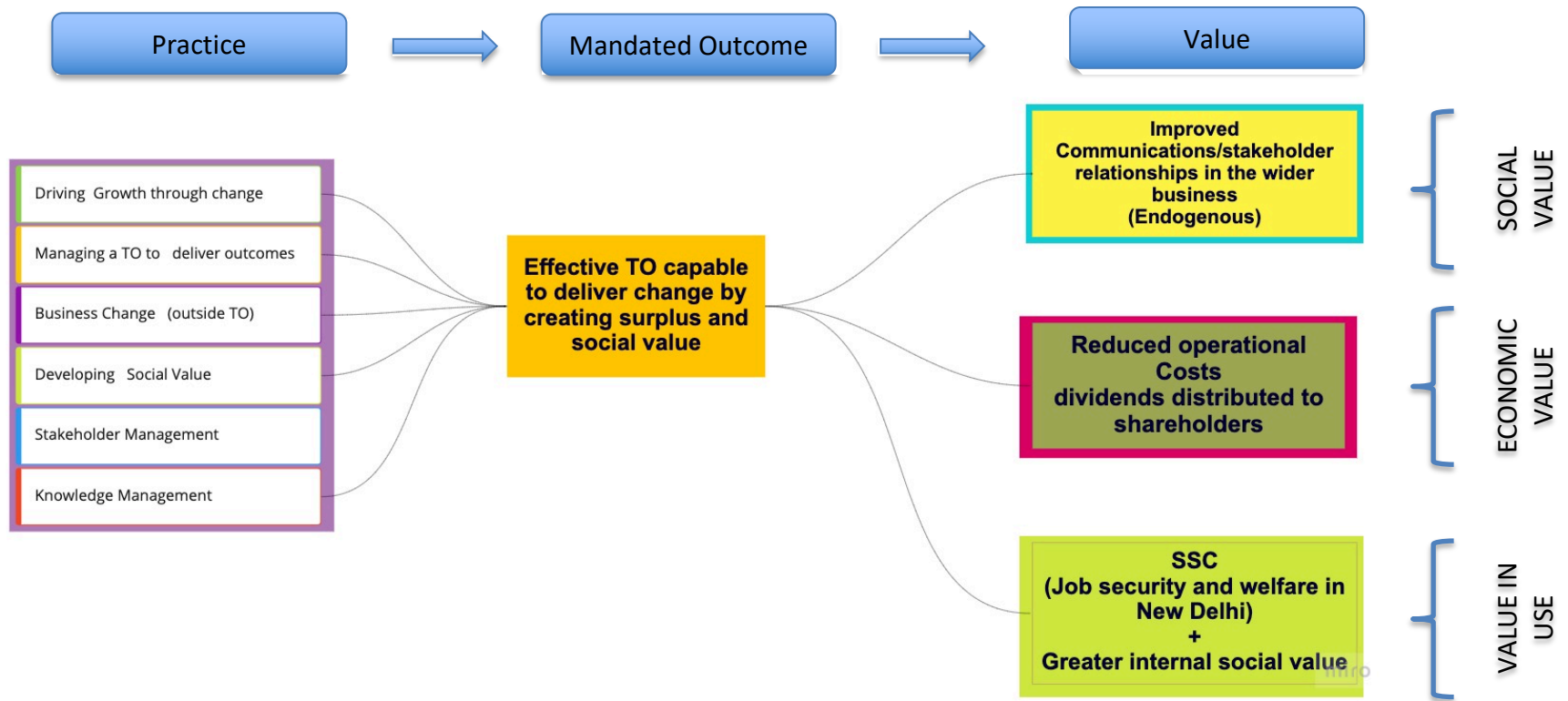


Figure 20 Conceptual Cause and Effect Diagram of Temporary Organisation One

7.1.2 Cause and Effect Conceptual Diagram of Temporary Organisation Two

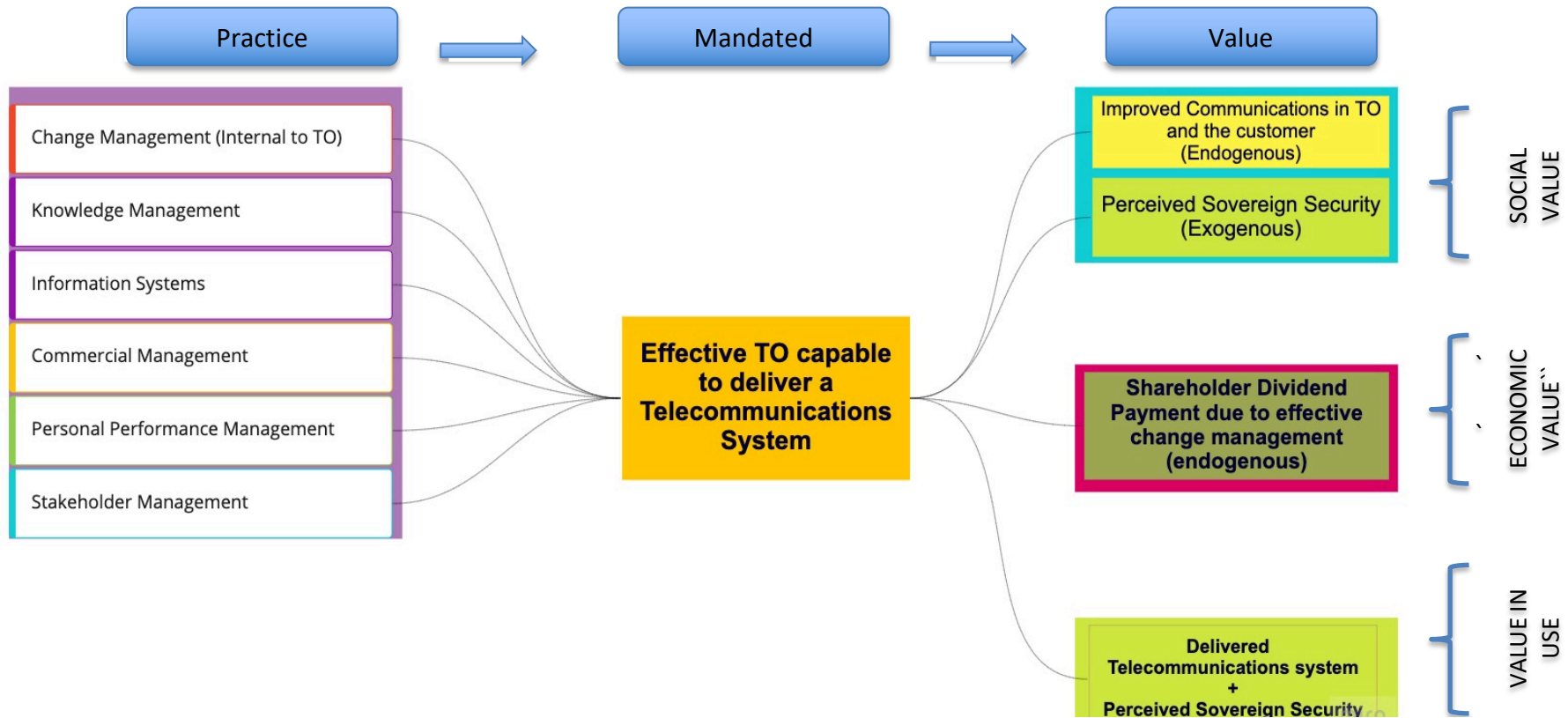
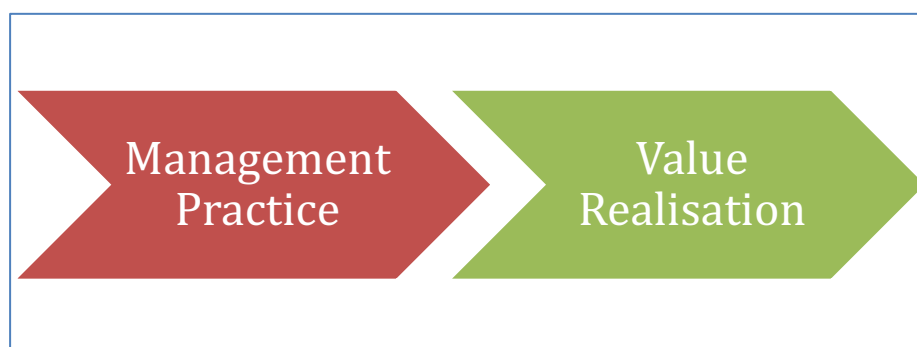


Figure 21 Cause and Effect Conceptual Diagram of Temporary Organisation Two

The secondary question was stated as follows: at what point do management practices converge with value? Management practices, as qualified, have an influencing factor on value itself. They act as a generator and catalyst of value, which manifests itself existentially within the parent entity and the temporary organisation. While the Value Paradigm (please refer to Figure 19) is not a source of value definition, it serves as a tool during the implementation of a temporary organisation in formulating the drivers generating it. Once fully defined, and the processes to realise it are mobilised, value emerges. This thesis has argued the significance of a strategy that articulates the route for achieving value at the earliest opportunity using the tools portrayed. However, this thesis argues that value is latent, accruing after management practices have been instituted. In Temporary Organisation One, a greater perceived social value from the formation of an SSC was experienced only after the outcome had been delivered, while enhanced social relationships located at its headquarters came after management practices had been enacted. This event is demonstrated in the figure beneath.



**Figure 22 Converging of Management Practice and Value**

As the world begins to emerge from the COVID-19 pandemic and societies resign themselves to cohabitating with it, new businesses will appear while well-known ones will be consigned to history. Governments and commerce will embark on significant recovery programmes, and the very nature of producing outputs at a competitive advantage will be redefined. In this redefinition process, organisations will need to scrutinise their ontological assumptions of reality against shifting economic and social changes in a post-pandemic world. At the heart of this introspective examination lies the requirement that organisations respond immediately to imminent tectonic changes in their interfaces with consumers and the broader political economy. However, at the very kernel of an organisation's culture, its structure will be questioned. Such introspection is mandated not only for the immediate survival of businesses but also for their longevity. This thesis argues that the temporary organisation is ideally placed to inspire crucial strategic reflection in times of adversity while performing a legitimate function in generating value and enlightening institutions.

## **7.2 Contributions to Practice and Industry**

An overarching requirement of any thesis submitted for the DBA is its contribution to practice. On the above continuum—the first fixed in time and space, the second attuned to negotiable strategic goals—the present thesis has located the two temporary organisations studied, each entrusted with a mandate to govern, monitor and implement change.

In projecting the future of human endeavour, whether pursuing commercial success, scientific accomplishment, or social revitalisation as its target, the inherent role of strategy will have become crucial. Thus, as an invaluable tool for testing resolve, boosting return on investment and creation of value in its yet-to-be-defined multifarious guises, the temporary organisation is expected to be entrenched as management praxis. One might anticipate adoption by project standards such as PRINCE2 or PMBOK of selected findings of this and similar research, with the Value Paradigm (Figure 19) as a further link between practice and value.

Evidence, discussion and analysis presented in the course of this research supports not only the conclusion that wherever a temporary organisation is integrated into an enterprise's forward strategy, value is created, but also strongly encourages the parent entity—however structured—to engage in such integration as a pervasive element of its business practice.

As a bonus, the implementation of a temporary organisation in the context of the parent entity's Value Paradigm will allow an enterprise to survey the nexus between value-generating management practices and the competitive environment in which it operates. While still largely untested, empirical variations on these tools invite further research based on in-house trials. The resulting opportunity moves beyond the link between practice and benefits to the true ethos of a temporary organisation whose evolution meaningfully impacts society.



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## Appendices

### a. Data Layers

Note: This appendix—Appendix One—is split into three layers and is an annex that expands the data analysis chapter. The first layer, the matrices layer (I) is a meta representation of the data and its connection between the original codified data, management practices, and its potential outcomes that may or may not be value related. II) is the codified NVivo data. They are the extracts drawn from NVivo and have been clustered according to the managerial practices in the conceptual diagrams (Figure 7 Figure 8 Figure 20 Figure 21and Figure 21), as well as the matrices. The NVivo extracts are directly referred to in the Anthology chapter, to support a point, or help foster an idea. And III), the original data transcripts that was used to originally codify data in NVivo. The codification and sense-making processes are outlined in chapter four of this thesis.

I) Layer One: Meta-data (Traceability Matrices)

Temporary Organisation One

Data Node (NVIVO)	Attributed Management Requirement	Operator	Mandated/Capability Output	Management Practice Realm	
Authority to Sign Off	Accountability to delivery requirements	<i>is aided by a definitive</i>	Knowledge management	Business Change (external)	
Stakeholder Engagement and Assigning authority					
Value in Exchange	Shared Services	<i>helps to define</i>	Organisational Design		
Growth through Acquisitions	Integrating acquired businesses through re-processing	<i>helps to define</i>	champion design architect	Effective TO that generates outcomes	
Culture is more dominant than knowledge	Instilling visions in the culture	<i>is a result of</i>	Organisational Culture		
Culture change is required to acquire new knowledge	Knowledge Management				
Structure not attitude drives maturity	Recognising attitudes & culture	<i>Made possible by</i>	Organisational Design		
Attitude influenced by seniority	Attitudes				
Qualifying Loyalty	Control				
Culture change is required to acquire new knowledge	Knowledge Management	<i>helps to define</i>	Organisational Design		
Structure not attitude drives maturity	Recognising attitudes & culture				
Responsibility by business leads to sign off requirements	Accountability to delivery requirements	<i>helps to realise the</i>	Performance Management Info		
Roles and Responsibilities difficult to operate without clear requirements	Knowledge Management	<i>Made possible by</i>			
Knowledge is dissonant between individual knowledge and group knowledge	Knowledge Management	<i>Stabalises the</i>			
Vision must be aligned to the culture	Role Hierarchy	<i>Supportss an optomial</i>			
Roles and Responsibilities evaluated and prioritised (politicised) according to require	Role requirements	<i>is requieste to drive</i>	Strategy Making		Growth (Socio economic VALUE)
Roles and Responsibilities evaluated and prioritised (politicised) according to require	Role requirements	<i>helps to realise</i>			
Roles and Responsibilities evaluated and prioritised (politicised) according to require	Role requirements	<i>to define</i>	Knowledge management		Knowledge Management
Tactical Growth	Decision Making	<i>helps to define</i>			
Strategic Intent	To devise new operating model	<i>is aided by a definitive</i>	Organisational Design	Social Value	
Tactical Strategy	Decision Making	<i>Made possible by</i>			
Steering groups form part of the decision-making process on a project	Disposition to Value	<i>Drives</i>			
Responsibility by business leads to sign off requirements	Accountability to delivery requirements				
Roles and Responsibilities difficult to operate without clear requirements	Accountability to delivery requirements				
Social Value	Integrating Shared facilities				

Temporary Organisation Two

Data Node (NVIVO)	Attributed Management Requirement	Operator	Mandated/Capability Output	Management Practice Realm
Management Practices: Organisational Structure	Having an effective Project Management Team	<u>Leads to</u>	Internal Change Management	Change Management (Internal to TO)
Reducing transaction costs recruitment	Leveraging resources	<u>Made more efficient by</u>		
Team division between pre and post contract	Prioritising crucial tasks and motivating teams	<u>Made possible by</u>		
Positive Customer Perceptions	Creating positive perceptions by customer of team performance	<u>Mandated</u>		
Organisational Change aided delivery	Organisational Change	<u>Validated by</u>	Performance	Commercial Management
Management Practices: Change in Mind-set	Avoiding work that could not be completed	<u>Made possible by</u>	Controls/Management	
Aggressive approach to generating revenue	Rationalising Contracted Priorities	<u>to</u>	Controlling outcomes	
Influencing outcomes using correct business intelligence	Aiding decision-making process	<u>Helped to</u>	Manage Performance	Information Systems
Stakeholder Management Education Suppliers	Training (informal)	<u>Minimised by</u>	Internal Change Management	Knowledge Management
Talent Development to meet demands for next generation technology	Training (formal)	<u>Supported</u>	Managing Performance	
Shadow learning	Training (informal)	<u>Supported</u>	Stakeholder Management	
A culture of Avoidance and Storytelling	Working with a culture of storytellers	<u>Changed by</u>	Internal Change Management	Personal Performance Management
Business functions led by many	Negating organisational silos	<u>Made possible by</u>		
Continuous improvement through personal development	Better alignment between performance and objectives	<u>Required to be</u>	Accountable for actions	Stakeholder Management
Management Practices: Better alignment to objectives and prioritising outcomes		<u>to</u>	Control outcomes	
A culture of saying yes	Staff fully compliant	<u>to</u>	Controlling outcomes	
a legacy environment	Influence new behaviours	<u>facilitated</u>		
Semantics	Managing delivery expectations	<u>helped</u>	Controlling outcomes	
Engagement and Collaboration	Managing Stakeholders	<u>helped to</u>		
Stakeholder Management: Customer Candidness	Responsibility to build transparency	<u>Made possible by</u>		
Stakeholder Management: Fact-based meetings	Transparency & Integrity	<u>Succeeded in</u>	Manage performance/outcomes	
Stakeholder Management: Change in mindset	Influence new behaviours	<u>Helped to</u>		
Stakeholder Management: Feedback loops	Circular communication	<u>In order to</u>	Performance	
influencing outcomes	Projecting image to deliver outcomes	<u>Helped to</u>	Controls/Management	
HR as a parochial organisation	Negating redundant/ineffective departments			
Positioning Stakeholders	Pinning down commitments			
Stakeholder Management: Collaborating by building trust	Building trust			
Stakeholder Management: Educating the customer	Building trust			

## II) Layer Two: Codified and Clustered Data

### Temporary Organisation One

#### a) Cluster: Knowledge Management

And because they haven't had that clear governance structure and roles and responsibilities in place, it's very hard for us to go back and say, 'Well, no, actually it was, because this is what your role is and this is what you signed up to do.' So yes, I think without roles and responsibilities it does make the end result hard to get to. I don't think our project necessarily has it defined as it should be.

#### **GG Roles and Responsibilities difficult to operate without clear requirements**

But, I mean, I have a list that was given to me when I joined and that was two-and-a-half years ago now, but I'm doing way more than is on that list, but I've never been issued with new roles and responsibilities. They very much expect you to just get on and deliver. So that's within the project.

#### **HH Responsibility by business leads to sign off requirements**

So we've got various strategies and approaches in place for dealing with the different roles and responsibilities throughout the project. So what is the role of the leadership team in terms of governance? What is the role of the key stakeholders? And then what's the role of the HR team in delivering the programme. They've got the global steering group and they've got their implementation steering group, so we have that defined.

#### **T steering groups form part of the decision-making process on a project**

Do you think if the relationship is not managed appropriately, do you think the tenets and value may not be realised or diminished?

A Yes. So we have, on our programme, we do a kind of stakeholder ranking and we have a kind of racy matrix. Are they responsible and accountable? Do they just need to be informed? And we very much then rank to say, 'Okay, if they're responsible and accountable, what level of engagement do we need to have with those people?' especially with people like leadership teams that are going to have an impact on what we're delivering the leadership teams, the likes of the in-country, the UK CFO. Well, he's responsible for signing off all the requirements, so he is a key player, whereas the Group CFO, he just needs to be informed of what we're doing.

#### **U Stakeholder Engagement and Assigning authority**

So we learned very early on that without having those roles and responsibilities and governance model in place in terms of, 'Right, you are the global sponsor. This is what we need you to do. You are a key focal point. This is what we encourage you do.' Especially when it comes to things like the signing off of the requirements, when they do the requirements gathering; you need to be very clear with the people that are involved that this is what you're signing off on

#### **V Authority to Sign Off**

But, I mean, I have a list that was given to me when I joined and that was two-and-a-half years ago now, but I'm doing way more than is on that list, but I've never been issued with new roles and responsibilities. They very much expect you to just get on and deliver. So that's within the project. Okay. That's okay. You might have a business lead and they are responsible for the new product that's going to be implemented, they're responsible for the business function. You then also have, overlaying that, the project manager who is responsible for delivering the project in line with the requirements set out by the business lead. What are the governance standards for that separation between... so you're not having the business lead trying to introduce new requirements at later stages.

A Yes. So there's a process in place for that where they get to a certain stage, so that the business lead will very much run the workshops, the initial fact-finding workshops on what are the gaps, what are the retirements? The project manager would have in the plan the dates for when these requirements need to be signed off. The business lead has to provide evidence to the project manager that that has been signed off, whether that's an email or minutes saying that it was attended, and then once that date comes and the requirements are signed off, what's meant to happen in the approach... it's meant to happen, I'm not saying it always happens, but it's meant to happen, is that that is the requirements

#### **W Responsibility by business leads to sign off requirements**

The very next question is what is the common understanding from that programme team of how you deliver. In other words its own ways of working; and instead of saying things like quality assurance and all that kind of stuff, which are really just project management process areas...

#### **Q A collective understanding of the standards that work**

Q) Or at least acknowledge them, what those egos actually are. A) Yes, but play to those egos. So, I don't know if that fully answers your question but that's something... the attitudes of people are driven by the egos; which is their preconception of what they know versus what you know, and therefore their willingness to listen to you.

#### **J Knowledge is dissonant between individual knowledge and group knowledge**

**b) Cluster: Organisational Culture**

So, you could have a very experienced programme manager with whatever kind of attitude he has, whether it's a red or a blue, or whatever, whatever kind of attitude but really they're being driven by the company apparatus in terms of what they can and can't do, and what is expected and what is not expected of them

**AA Structure not attitude drives maturity**

Knowledge says that you can know all of these standards, that everybody could understand and be aware of everything that there is out there to use, in terms of processes, standards, all considerations but it's what any given company has selected as its ways of working. How it's going to... in effect its ways of working. To boil it all down to a simple term and that goes from top level ways of working right down to the programme level delivery of ways of working, and it's back to what I refer to apparatus. Everybody can have all the knowledge they want but it's actually the chosen ways of working.

**O Culture is more dominant than knowledge**

It ought to be looking at another place, at where it wants to be in terms of its ways of working and why it wants to be there, in the future. And it also ought to know that having understood that's where it wants to be tomorrow, five years, ten years from now, it also needs to understand that it's going to change its opinion on what it thinks its value is. What the value of these ways of workings are and what it needs to do as ways of working in that tomorrow land. In tomorrow land the ways of working for its next tomorrows land will change.

**R Culture change is required to acquire new knowledge**

So, when we roll back to programme level processes and standards etc. for me it depends where... it depends on a lot of things, it entirely depends. Firstly, it depends on whether the rest of the company is working to certain ways of working, how it delivers, what the apparatus is in the rest of the company. If there isn't any good consistent standard apparatus in a company, in other words it's the Wild West then it's going to be down to the knowledge of the team in the programme to try to figure out how to deliver the programme most effectively.

**S Culture change is required to acquire new knowledge**

Yes, but play to those egos. So, I don't know if that fully answers your question but that's something... the attitudes of people are driven by the egos; which is their preconception of what they know versus what you know, and therefore their willingness to listen to you. There is also of course the very, very straight obvious ego situation which is 'I'm more senior than you and therefore you will listen to me'.

**X Attitude influenced by seniority**

And actually the attitude is... the attitude I should have towards you is not one of obedience [sic - obedience?] but one of... on the face of obedience but behind the scenes it's questioned. One wants to make sure that they're not surprised. So, a little off piste there but does that help?

**Y Qualifying Loyalty**

Q Yes, it does because I think attitudes on projects and how does that affect the maturity of the actual programme. Do you think it might enhance the maturity if people have certain weak egos or strong egos, because everyone ultimately has an ego, it's just where on the scale it falls and whether people can deal with it or how they approach the situation. Do you think that might influence...

A Necessarily; because I think it's a very small influencer on the maturity of a programme. What affects the maturity of a programme, in my view anyway, my experience is the entire structure of the company upon which... or the company... the actual influences, the company upon which that programme is being sponsored by. So, if that company lacks the necessary apparatus and there's a lot to talk about there but if it lacks the necessary apparatus that drives immaturity in the programme

**Z Structure not attitude drives maturity**

**c) Cluster: Business Performance and Management Strategy**

'I suppose there [i]s one other part which is ability to win global work on the basis of being able to say we have a global company because we can prove that working on the same systems'

**E Tactical Growth**

'The way that they work as a company, especially they do so many mergers and acquisitions'

**A Growth through acquisitions**

'But there also is some strategy to it, like all [Australia-Pacific] moves to a shared services centre, all payroll moves to a shared services centre'

**B Strategic Intent**

'[The company] is made up of loads of other company cultures on a vast scale so you think that through then people's interpretation of what is right and wrong, and what they should and shouldn't do is all driven from a local native viewpoint and it's very difficult to change that view. So, things have to happen first of all so I think [they] are going down the crush and rebuild kind of route'

**C Growth through Acquisitions**



**d) Cluster: Strategy Making**

'I think it's a clear strong vision, you just get... the strategy is the CFO making comments like, 'if that's a transactional administrative role why couldn't that be done cheaper out of a shared services centre?' But there also is some strategy to it, like all AP [Australia-Pacific] moves to a shared services centre, all payroll moves to a shared services centre. So, there are some hard and fast rules to it I suppose, where it's a bit more strategic than just whatever somebody thinks of at the time. But I wouldn't say it's a clear and particularly well rolled out vision other than just a general, well it makes sense to go to a shared services centre for efficiency'.

**D Tactical Strategy**

So Concord are very much wanting to get into a place, especially with their finance systems, where it's very transparent in terms of what that company are making, what is the turnover of that company, what is the value to [Company A]? So I guess what they're looking at is... because of the way that they've now structured [Company A], they've structured it east and west, so they're now... a big focus was to get the STS piece on, because that is a high-value company for [Company A], but they had no, really, line of sight into what they were actually delivering for [Company A].

**LL Semi-structured approach to project selection**

Sorry. How does project selection make and drive efficiencies in the portfolio enterprise? A What do you mean by that? In terms of the overall... Q Yes. So I mean, for example, if you're selecting a project A, are there any efficiencies gained in doing that over and above another project? A As I said, I mean, I guess... I'm not involved in that selection process, but they do rank them in terms of the value that they're going to bring to [Company A] by bringing them on to the [Company A] systems and processes. So there is definitely a ranking system and that's why they've got... you know, they've got about... oh gosh, there are about 10 various... I say projects, they're basically businesses that need to come online and come into the programme and they're all ranked and they're put in order and the high-value ones that will bring the most value and deliver the quickest return for what we're doing are brought on first, and the much smaller, lower value ones, won't have such an impact on what the business is trying to achieve, are pushed further down the line.

**MM Semi-structured approach to project selection**

So, going back to the ideas or the concepts that I described around value, so value in exchange, which is about doing less, more for less, and promoting the idea of creating products that actually create a use or utility value there, do you think the approach in terms of project selection and alignment to the strategic goals, do you think that value is promoted or those concepts are promoted when you are selecting new projects or initiatives? A Yes. We certainly look at them when we start a project and obviously the end goal is often around doing that whole value, less for more, so it is about taking away a lot of the manual effort, reducing that manual effort, so that they can spend their efforts... you know, part of how we sell it is that we reduce the manual efforts

**NN Value in Exchange through Project Selection**

STS and some of the companies that form part of that, the reason that they've been shifted forward is because... yes, at the moment they're on very different systems, some of them aren't even on any systems, and I guess the value for [Company A] as a whole will be that by introducing and aligning them with what we're doing and automating a lot of that, they are going to reduce the head count significantly

#### **OO Value in Exchange through Project Selection**

#### **e) Cluster: Organisational Design**

So we have roles and responsibilities for them that we set at a governance level, and that they're expected... you know, it's very much 'This is what your role is, this is what we expect you to deliver throughout this programme.'

#### **CC Roles and Responsibilities evaluated and prioritised (politicised) according to requirements**

There is part of the overall approach we have when we look at the organisational design and how that's going to be impacted, so we look at, for example, payroll. It's very much moving towards kind of what they call a shared service model, which obviously means that they're going to be reducing their staff within country that's moving to a shared service model in Delhi, that's run out of Delhi.

#### **DD Roles and Responsibilities evaluated and prioritised (politicised) according to requirements**

because obviously if there are going to be a lot... especially at the moment with STS UK as we roll into one legal entity, they're very much looking at centralising a lot of the functions.

#### **EE Roles and Responsibilities evaluated and prioritised (politicised) according to requirements**

A Yes, I mean that has definitely happened in North Sea at least. I'm not sure about [North Sea Company X] but [North sea Company Y] followed [our organisation] in doing an HR shared services centre, similar concept. And actually went one step further and moved their shared services centre down to near Manchester for cheaper labour instead of having it in Aberdeen, and they made a whole lot of people redundant to reduce costs as part of that. So, I know it's definitely a factor in Aberdeen with the pressure on the oil price.

#### **F Value in Exchange**

Six months down the line don't come back to us and say, 'You've not delivered what we wanted.' In the past that's really fallen down and it's caused really, really big issues in the project, like I said, because they come back and they're like, 'Well, actually, that's not what we asked for.'

#### **FF Roles and Responsibilities difficult to operate without clear requirements**

It's definitely reduced staffing levels and that's been tracked. So, that's definitely happened. We've definitely shifted a bunch of stuff to a shared service in Delhi which is a really easy one. We get... a burdened cost for someone in Aberdeen is £39,000 or

something for an administrator and a burdened cost for the same person in Delhi is £13,000. That's a really easy one to say this is how we've reduced cost and it worked.

#### **G Value in Exchange**

Yes. We certainly look at them when we start a project and obviously the end goal is often around doing that whole value, less for more, so it is about taking away a lot of the manual effort, reducing that manual effort, so that they can spend their efforts... you know, part of how we sell it is that we reduce the manual efforts so that you can spend more time on the client, actually do work for the client rather than spending all your time doing these back-office manual processes.

#### **H Social Value**

'Yes, so I look at... generally, all my experiences of projects attitudes tend to be informed on what individuals think as their knowledge versus everyone else's knowledge in the project. So, in one respect you may find that there are walls, difficulties in getting people to change behaviours and what they perceive is the right thing to do, in other words the value in any given situation to be gained. Based upon what they understand your knowledge to be...'

#### **I Knowledge is dissonant between individual knowledge and group knowledge**

Okay. That's okay. You might have a business lead and they are responsible for the new product that's going to be implemented, they're responsible for the business function. You then also have, overlaying that, the project manager who is responsible for delivering the project in line with the requirements set out by the business lead. What are the governance standards for that separation between... so you're not having the business lead trying to introduce new requirements at later stages. A Yes. So there's a process in place for that where they get to a certain stage, so that the business lead will very much run the workshops, the initial fact-finding workshops on what are the gaps, what are the retirements? The project manager would have in the plan the dates for when these requirements need to be signed off. The business lead has to provide evidence to the project manager that that has been signed off, whether that's an email or minutes saying that it was attended, and then once that date comes and the requirements are signed off, what's meant to happen in the approach... it's meant to happen, I'm not saying it always happens, but it's meant to happen, is that that is the requirements...

#### **II Responsibility by business leads to sign off requirements**

A Right, that's it and the strategy has to match... has to be done on the right basis of assumption.

#### **P Vision must be aligned to the culture**

On 29 August 2017 at 09:54,

[...]

wrote:

1 – Yep they're definitely administrative repetitive tasks. Supported by a corporate process for sure, although this is enforced to a greater or lesser degree

2 – They're paid comparable wages with Delhi for cost savings so I wouldn't say it's increased their disposable income. However, I would say it's more secure, as they're drawing on support from COMPANY A globally for those central processes so are less affected by local economic cycles. Chances for promotion and other work within COMPANY A are also a big incentive. Most of them have had a trip to other COMPANY A offices elsewhere in the world, and so can see a higher standard of living and aspire to it.

[...]

From: Andrew Dorahy [mailto:andrewdorahy@gmail.com]

Sent: 29 August 2017 04:44

To: [...]

Subject: Re: New Delhi Shared Service Centre?

[...],

Just following up on those employees at the shared services centre in New Delhi?

Are you able to comment?

Can confirm that

- 1) those who work there, perform routine, administrative tasks that are underpinned by corporate processes?
- 2) When compared to other people in the New Delhi economy, how has COMPANY A, as an employer, improved (or not) the lives of those people who work there?

- Have they got more/less disposable income?

- Is employment more secure than say their previous employment,

- Are there chances for promotion, that would ordinarily be out of reach in previous employment?

- Are the wages competitive, compared to other industries in the New Delhi economy?

I'd be grateful if you could comment on those in the New Delhi SC?

Andrew

From: Andrew Dorahy [mailto:andrewdorahy@gmail.com]

Sent: 29 August 2017 04:44

To: [...]

Subject: Re: New Delhi Shared Service Centre?

[...]

On 16 August 2017 at 17:56 [...]

That's correct yep. With the merger with AMEC, I found out that they have a similar shared services centre in Manila too.

In general, most of them are against Shared Service as it means they have to deal with someone in Delhi rather than somebody in the same office with the same culture they can talk to.

Quite a few people that did administrative-type work have lost their jobs.

However, you're right in that the people that have left are more skilled and generally in people-focused roles. For HR at least, the roles that are left are business partner roles, which are a lot more secure, and are becoming more valuable and sought-after as the main face of HR for the business.

They generally hold higher salaries as well.

A bit of a deficit, however, is that [Company A] generally don't have people to start with the admin roles, and get trained up to move onto the more skilled business partner roles. People don't get that progression so the beginning isn't there to start with. I can see this pushing more lower-skilled admin people into other professions and other work, then salaries and security getting even higher for the more skilled stuff.

**Post Interview Email A: Request for information on the Socio-Economic impact**

**f) Cluster: Decision Making**

But to really be simple about this people are empowered to be able to make the right decisions when they have the right information in front of them and therefore they need... people need to understand what the decisions are first of all, what they're expected to make decisions on as far as their role.

**K Empowered to Make Decisions**

Secondly they then need to be able to know that they've got the right information that's relevant, pertinent to making that decision.

**L An informed Decision-Maker**

People make decisions without the right information. They don't even know they don't have the right information and they yet make these strategic decisions without correct information. So, that's common. I mean in my experience I've seen it happen all over the place at very senior levels and that's not just in this company but in other companies, so it's not new.

**M Uninformed Decision Maker**

They may think they don't have all the information they need but they've been told they have to make the decision anyway and they have to make a decision. So, they make a decision on poor information and it could be the wrong decision, it could be the wrong outcome.

**N Uninformed Decision Maker**

Q I'm imagining there is an approach rather than a fully-defined mature process. Would you agree with that? A Yes. They've got an approach. I mean, I guess... yes, and I think at the project level I don't even know if they've got an approach that's that defined on roles and responsibilities, but we've got a governance model where we have our steering group.

**JJ steering groups form part of the decision-making process on a project**

They've got the global steering group and they've got their implementation steering group, so we have that defined.

**KK steering groups form part of the decision-making process on a project**

Q I understand. Do you think egos and attitudes also inform or influence risk within the project organisation at [Company A], or do you not think that's an appropriate stance?

A So, again you mentioned [Company A]. I'd say more generically just 'yes', just full stop. Clearly a person's ability to listen and understand, take in and respond correctly to a given threat is based upon for the most part their ego and their attitude towards the person who's telling them that information and also, of course, how it's being communicated to them. So, again if you have... an example would be if you had an individual who is a frontline guy, maybe... let's just say [unclear 00:14:55] trying to flag the fact that there's a risk. He's going to communicate in his usual way to his boss about a particular issue. Now the boss then communicates that risk up the line, giving it some understanding, giving some better articulation of the risk perhaps to the next lead up, which could be the actual programme manager. However, if the programme manager is used to ignoring that person because usually they speak a lot of nonsense, perhaps in his eyes, that risk is going to be lost. So, in effect it's part of the ability to look at people all the time with an open mind every day and that's an attitude. So, you've got to think about okay so how does one... that's about being really professional and not being...

**BB Risk acceptance based on personality**

**Temporary Organisation Two****a) Cluster: Acquiring Knowledge**

This observation came when the MOD and Airbus needed to co-develop a suite of reports in excel. The reports were used to track, monitor, escalate and highlight exceptions, and to remove reporting by minimising or removing altogether the need to provide identical information, but also propagate critical information upwards to senior and executive management. To achieve this aim, it required the capacity to develop in excel, complex formulas and processes. With expertise by Airbus, it required the MOD to assist, and also to learn from Airbus in developing a suite of reports, as there was a requirement for them to use these reports to customise the reports for other initiatives, outside the existing scope of delivery contracted by Airbus. It required a senior PMO manager to sit down with the Airbus PMO manager and shadow them. Whilst there was initial discussion, a demonstration on developing parts of the reporting suite, the MOD's PMO manager had to watch, before finally, taking over the report and experimenting, developing against the requirements, and testing for errors. There was occasional dialogue and questions between the two managers. The outcome was a fully tested suite of reports, one that could be used throughout the portfolio, and another for the MOD's internal use.

**Observation 1 Shadow learning**

The equipment delivery people in the first instance, to support the product beyond their contractual responsibility. This is something that-- Airbus has been around for 10 years. We've had a lot of churn of resources through those 10 years, but there's always been a standard that has been maintained. In the support organisation, there's a massive transition from legacy technology to new technology. That transition has just been, from my perspective, completely ignored. They've not brought new people in that have experience on next-generation technology that can then adapt the processes and train the people and make sure the organisation is fit for purpose. I think that's a key point, fit for purpose. The support organisation is not fit for purpose.

**YY Management Practices: Talent Development to meet demands for next generation technology**

**b) Cluster: Knowledge Transfer**

Okay. One of the biggest challenges I face is the fact that people and the culture here, and it's not necessarily to any particular nationality, it's more just across the board it's not honestly as a core issue, it's the fact that it seemed to be negative to make a mistake. I think, definitely, in Western culture, we're coming to a point or we've already reached it to a degree where actually making mistakes is an important learning mechanism whereas here, the culture is to cover up and to lie rather than to say, "You know what? I made a mistake and let's deal with it." The mistakes will come out right at the end when you're expecting a deliverable other's uprisings aren't delivering because there's errors in the documents or there's something that's gone wrong but they're too afraid or it's not culturally acceptable- Interviewer: To speak up. Interviewee: -to speak up earlier so they can be rectified. We have a lot of issues with scheduling and with the quality of documentation we receive because people don't come forward early enough to expose vulnerabilities or to say, "Actually, I don't know enough," or, "I've made a mistake." Or to try and treat something that doesn't go wrong with an element of positivity rather than slapping people down and saying, "No, this is wrong. Go away. Do it again." Let's try and change the mentality I suppose. That above all else is probably the biggest challenge.

**AAA Management Practices: A culture of Avoidance and Storytelling**

We have to couch our requirements to our subcontractors in essence, to force them down a path for picking technology we want

**MMM Stakeholder Management: Educating Suppliers**

**c) Cluster: Organisational Design**

Interviewer: New organisational structure that Jan has established- Interviewee: Jan and Andy Forbes also. Interviewer: -and Andy Forbes, [coughs] have basically constructed. Are you able to walk me through that structure, and describe the governance of that structure that has led to this delivery as well as, potentially, other- we've discussed transferable skills a bit- but the new organisational structure, how it's gone on to deliver that-

**PP Management Practices: Organisational Structure**

The new structure. Can you discuss that? Interviewee: The changes we have had is, when we had the new management, we have- or the new management identified that there is an issue. There is an issue that we have bought too many stuff now [...] which we have [sic] not capable to deliver. So they have tried to find a way to be able to deliver these things. During this assessment, we found that there is [sic] obstacles. One of the key obstacles was some change in the people mindsets because [...] the behaviour of just accepting orders and not care about deliveries over the years.

**QQ Management Practices: Change in Mindset**



The routes [that have] taken us now, but through developing a good customer relationship, delivering in line with understood requirements, then establishing a customer confidence, I got us to a position where a customer was saying to me, "I would like to extend you belong the end of 2019," and that that was [...] was saying to me, "I can't see what other options I have."

**QQQ Positive Customer Perceptions**

Colin: Yes. Let me try and give you some examples. In the organisational structure we had at the beginning, the proposals team was very much involved in all aspects of bringing new work contracts. The delivery team in those days had no interest at all in that until it came on to contract. There was very much a wall but it was run over. They wouldn't even consider results in doing something until it was on contract. They wouldn't consider planning on doing anything before it was on contract. Over time [it was] brought itself down and over time the organisation structure changed so that we were in if you like portfolios. It cuts across pre and post work. If you look at how we are structured today pre and post staff, there isn't a wall because it's if you like one more contiguous organisation. In everything that we do here now we're much more involved in the overall, um, development of the proposal than we were in the early days. Interviewer: This is more of a portfolio driven thing. Colin: We moved from the original [structure]. We went from that through another stage where we had what was called concept development to start with, which was not much different to proposals but that was all pre-contract and then post-contract. Then we walked into portfolios. Even now in our structure of what we might call portfolios, the portfolios sort of exist within the delivery world. Project management, less than the worlds of engineering, commercial and finance.

**TT Management Practices: Team division between pre and post contract**

Interviewer: The solution you might want to think about there would be a Airbus task directly to the Guard and then delivering those services directly on behalf of the Guard rather than-- Interviewee: That's why we changed our values basically and the change of the way that we're doing business

**VV Management Practices: Organisational Change aided delivery**

Les: Yes. It wasn't as if you had to establish a whole new team to do SMR. Interviewer: You could argue in this team that essentially, you've carried through without the need to increase your equipment costs? Les: Yes, to an extent. A little bit. Interviewer: How much would that have saved? Les: I have seven engineers, two delivery managers and two site support officers so if you had to recruit all that again, for SMR, you didn't just carry it through. Your temporary organisation turns into almost a semi-permanent organisation, you see what I mean? There are savings there. Seven people. Interviewer: The average per head is about 20% on top of their actual package, I think, or their actual remuneration, the recruitment costs are 20% on top of their round annual [package] Les: Saving a considerable amount.

**XX Management Practices: Reducing transaction costs (recruitment)**

**d) Cluster: Personal Performance Management**

David: I think there is now an area of [...] that's not been discussed. That's the human capital of the business, and how you look after that value within the business. The whole culture in the Middle East. You buy that experience. You don't generate it, you don't grow it. It's not organically grown within the business. If they ask where to support Airbus, and it's their staff on providing continuing personal development you'd have top people, top skills accredited to top organisations for the moment. You pay for that [crosstalk] and it's probably why you didn't get [crosstalk].

**CCC Continuous improvement through personal development**

To begin with, none of the programs were delivering. The core [team] was somewhere [...] that I'd selected as that has to be the priority. So, the organisational structure was built to recover the core position into one of delivery. The core department was larger than the other departments for the delivery program. Once that happened, then the customer objectives were clear, or better clarified, then the organisation and the people in the organisation had shared objectives. That's personal objectives, which meant that the reason they came to work was a list of three things, for example, which were consistent right away through the course [of the programme, for] example, but also looking at a broader delivery program perspective, then again, defined objectives interpreted with relevance to the arm of the overall delivery program meant that those teams were aligned to those customer objectives as well.

**UU Management Practices: Alignment to objectives and prioritising outcomes**

I don't see, we'll use the word volume and that much value added to the silos to bring together, if you like, the direction that the company's going in. If you think about vectors from [a delivery perspective] you may have a vector in one direction from delivery, you may have a different vector commercially, and not necessarily assessing in place or ensuring that every department is aligned to [to common goals] so that we're all heading in the same direction.

**ZZ Business functions led by many**

**e) Cluster: Protection of Existing Contract and Business Reputation**

Interviewee: The key thing was change of cultural and mindset of people, plus key objectives. Maybe that's before [the change], but maybe you've heard about the divestment activities we've gone through four years ago. That was- the objectives of the company was [sic] different. The objectives was not to deliver product or services, but was more to get- more to have more orders to make the company profitable, to make sure that it will be easy to be served. All the organisational charts at that time, was built to support divestment basically, which has no value added to the customer

or to the products that we should be delivering. Because it was based on order and take only, without caring about how we delivered these stuff.

**SS Management Practices: Aggressive approach to generating revenue**

**f) Cluster: Reporting**

By working with the right people, basically in both side, we have managed, basically for the first time, to get a proper data, which everybody used, everybody like, [sic] and everybody understand. [sic] This data has built us, I think, a strategy, which has enabled us, for the first time- for the history of this program, that we managed to achieve our target, or basically, we succeeded our target.

**OOO Stakeholder Management: Influencing outcomes using correct business intelligence**

**g) Cluster: Stakeholder Communication**

it serves to be reinforce the customer requirements definition

and it also-- back to the customer relationship. If you're in a position where you can say, are you two guys telling me different things, what do you want to do about it? and they've at least got a forum to have that conversation in business language. You're all able to arrive at an outcome that everybody agrees on. In delivery, if you have divergence in the expected outcome then its very hard to deliver.

**RRR Semantics**

**h) Cluster: Stakeholder Management**

Colin: For projects that involve let's call it Western technology, where there's a legal entity, say in America or somewhere responding. They're also geared up to the way North Europe does it's business. They'll have people that understand what it is they're offering. They've got the robust compliance to make sure what's being offered they're complying with what the requirement was. Culturally here it's a bit different. First of all, most people don't have English as their first language. They don't necessarily understand all the words that are written down. They wouldn't necessarily understand Africans or some of the British standards or Dutch standards or things of that nature. It's a bit of a culture not of-- Of just saying, "Yes, we can do something." Whether or not we know they or not, they just say, "Yes, we can." Whereas in the UK you would never have a "Yes we can," if you're not bloody sure you can do it. It's not quite like that here. [...]

**BBB Management Practices: A culture of saying "yes"**

By working with the right people, basically in both side, we have managed, basically for the first time, to get a proper data, which everybody used, everybody like, [sic] and everybody understand. [sic]

**DDD Stakeholder Management: influencing outcomes**

The social engagement aspects of it actually provides or has potential for huge impact on delivery. If you are not engaging, not collaborative in your approach to project management and engineering, then, what that essentially does is it puts up walls. When those walls go up, if you end up falling back on formality-- That means that it 's- - I want to leave it here. They might absolutely want by five days, a review period and then, you have your 10 days of review period, so that something that could have taken a couple of days, ends up being three weeks because people fall back on their original contractual agreements whereas, if you adapt a collaborative and a more cooperative approach, then, you can start to reduce these overheads and you end up getting a quicker and often better delivery at the end.

**EEE Stakeholder Management: Engagement and Collaboration**

it was a cottage industry generating revenue they could then spend it indiscretion. Personally, I didn't particularly care what was delivered as long as the ticket was big so they got their 10% per ticket. So a lot of things as who really benefited? If you talk about a private fund or a private- what's the word? Interest in UK, if they were our ultimate customer they could have the same but I think with the big court case where the place I think you guys would simply be sacked. I think they would have been changed out. I think there's been too much complacency. Who's generally benefited? I think a lot of individuals have.

**FFF Stakeholder Management: a legacy environment**

I think two years ago, when it was easier just to put a defect report in rather than do the work. For instance, you haven't got the keys to sign out a billion. You haven't got the key, so that's GFAs work. Give me, I'm going to charge you loads of money." Now there's a, "I'll get the keys, I'll drive to the site and get the keys. I'll do it" Interviewer: It's more about social value? Sean: Yes, and the want to do it now. There's more of an appetite to get off your ass and do it, rather than, you can all sit around. Our subcontractors could sit around in a café just passing paperwork back and forth. Interviewer: How did you change the mindset of those people? Sean: By influencing, I'll do it myself. It's nothing I haven't done before. Interviewer: You're setting an example? Sean: Absolutely right. I'll do it myself mate. If I have to drive through the mountain to pick them a set of keys, do you know what mate, I'll drive through the mountain to pick up a set of keys. Interviewer: How long has that taken to change that mindset? Sean: I'd say about between 12 or 15 months.

**GGG Stakeholder Management: Change in mindset**

The social engagement aspects of it actually provides or has potential for huge impact on delivery. If you are not engaging, not collaborative in your approach to project management and engineering, then, what that does is it puts up walls.

**HHH Stakeholder Management: Collaborating by building trust**

The routes [that have] taken us now, but through developing a good customer relationship, delivering in line with understood requirements, then establishing a customer confidence. [...]

I looked Stuart in the eye and told him something he didn't want to hear. I did that deliberately, well, because it's best to be straight, but also so that he knew that if something wasn't right we'd tell him so when I told him something was right, we could deliver and we could expand, then he could trust in what I was saying.

### **III Stakeholder Management: Customer Candidness**

What I would do is getting at the customer, understand what is going on. Get to a position where they know that I'm thinking of what's in their best interests in order to develop the product that I'm going to deliver to them, which is a program. The position is a difficult one but the clear definition right at the start of the headlines is the essential thing for the development of a product. [...] Again through a good customer rapport that can reflect some of their needs.

### **JJ Stakeholder Management: Educating the customer**

being nimble about getting to the point of that customer requirement. Define that with the customer, work closely with the customer and then consistently referring it back to that with the customer present would keep tight with our customer, make sure we are addressing their needs and are sensitive to any changes that they have in their needs.

### **KKK Stakeholder Management: Feedback loops**

I give him the factual evidence and the reality of what we are trying to do to help him achieve his goal because he's got a massive-- He's got a higher audience to appease, it's not just the general.

### **LLL Stakeholder Management: Fact-based meetings**

'we need to get this stakeholder into this position'

### **Meeting 1 Positioning Stakeholders**

One thing that I do find quite interesting especially around temporary vehicles is just in the context of Airbus as organisation is the duration. Something that's quite personal to me is in most organisations and you look at it from an HR career perspective, there is an inherent progression. Most IT companies or service delivery or whatever it is, they have a process whereby there is your natural attrition and your throughput, but also you want to push your business forward. You have a process in place where they move up to the business. It evolves and works in that respect. Without the temporary organisation, you don't have any of that. While if you have a fixed period of time with a fixed goal, it can work. If your goal is evolving and moving all the time, but your organisation is fixed, you have a bit of a disparity there. The reason I say this is Airbus as it currently stands has been on a 10-year program. The delivery has evolved throughout about 10 years and requires different skill sets. Airbus

is not set up to develop those skills sets in-house. You've had a constant role of people in another door. There are skill sets. Interviewer: Not that there's been a performance management. Interviewee: You have lost a lot of consistency throughout the 10 years in terms of- Interviewer: Disruptive. Interviewee: It's been very disruptive because somebody is coming in done a bit left. The other comes in, had to spend some time getting up to speed then left and the lab there's just been a lack of consistency and a real challenge is ownership and responsibility because a lot of the old decisions that were made 6,7 and 8 years ago-

**WW Management Practices: HR as a parochial organisation**

### III) Layer Three: Primary Data Transcripts<sup>10</sup> (Sample Extracts)

#### Temporary Organisation One

##### a) Interviewee One: (ERP HR Architect)

Date: March 2017

Interviewer: Andrew

Q So, I guess where we are with this project is that what we're trying to do is establish how value emerges in organisations, primarily through programmes, projects, portfolios and other initiatives such like that. So, we're primarily focusing on three areas and that's the governance area, the strategic area and programme maturity, programme/project maturity area. And we're looking how those constructs or how value is promoted across projects, as well as how value is imbued in those sub areas.

So, that's essentially what we're trying to do and I guess the area I'm looking to focus on with you is the area of strategy and what you might know about it. So, I'm not looking for any precise answer and if you don't know the answer to the question that's fine, but what I am looking for is some full explanations, some rich information about what it is about value that you can provide in that certain question or what you might be able to bring to that area of discussion.

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<sup>10</sup> Verbatim: unedited transcripts, pseudonyms were used to conceal trading name where companies requested anonymity.

So, I'm really trying to... I've got a whole pile of stuff here about what I might want to ask but there is a theme to this and some of it may not be exactly... doesn't entirely make sense or doesn't fit within the actual theme, within the actual questioning, but there are reasons why we are trying to answer those questions.

So, I guess what we're trying to do with this particular interview is identify if there's a relationship between the strategic blueprint or the vision that exists within Company A's transformation programme, if that's what they're wanting to call it, or organisational change, for a better word. We're looking to see how value's promoted within that construct, again across those other dynamics such as governance and maturity.

When we talk about value we're not limiting ourselves to... we're also talking about ideas about reducing cost, more for less, perhaps by redefining processes, removing the redundant ones and retiring duplicated processes. So, things that I could think of in the Company A were your financial processes, your HR processes, things like that that you were actually working on a while back as well as creating new products.

So, it could be also the creation of new processes. It could be the creation or the implementation of new products such as Oracle Cloud, which is one you just mentioned, and it could also mean that by providing those products, or those processes, or redefining the area such as value partnerships come out of that. So, for example, you might reduce your labour force or reduce the number of headcount in return for select key members within those departments, or establishing new departments that provide partnerships with the rest of the business.

An alternative view is placing greater emphasis on inducing employees to use processes. So, when we talk about that we're talking about how the value people put



on a particular process or a particular product that is used within the business. What else when we're talking about value?

I think they're pretty much the hallmarks of value so does that give you any explanation about what value might be? I know we talk about benefit realisation, and that's true, this is possibly a part of that but we're talking about the underpinning theoretical propositions of values. So, value in use, value in exchange, aesthetic value and social value.

A Yes, I guess the way we measure that here is mainly by benefits realisation. There's no other really formal way that it gets measured other than that, benefits realisation and it's real hard financials, like you say, like redundancies, and then there's efficiency process stuff and then there's other more qualitative stuff. So, employee engagement and satisfaction and that kind of thing so...

Q So, social value?

A Yes, that's one way to put it. Yes, I guess... yes. So, yes do you want me to talk about how that's been done or not in Company A or have you got some specific questions?

Q Yes, I'll come to all that later because they are areas of value that we're obviously looking into, but we're trying to do is link it to the original theoretical ideas of value. So, I guess are you able to just give me some explanation? I probably already know myself what the original strategy was but are you able to give me some background about Company A's change strategy, and what it means, and why Company A have embarked on this five year programme of work?

A Yes, it all comes down to really back office efficiencies and process standardisation. So, there's originally a larger, faster programme of work proposed

with more of a business change element to it, with a business change team, with some business process remapping, that kind of thing, proposed as part of the programme and that didn't really get very far because of the high cost associated with that.

So, they kind of made the business process, reengineering the responsibility of the business. So, like the head of the finance function would be responsible for finance business process in HR and things like that. So, [coughing].

Q How's the weather there by the way?

A Yes, it's snowing.

Q It's snowing is it, how much snow? Not much or a lot?

A No, not much. Not even an inch, not enough for you.

Q Tricky weather. Don't miss it; it's quite sunny here at the moment. Sorry go on, reengineering is the responsibility of the departments.

A Yes, so each department was responsible for their own business process engineering. To be honest I thought that was a bit of a failing of the programme. I don't know whether it's worth the cost originally proposed to have a combined business change team and programme solution. But we've ended up with a bit of a chuck it over the fence mentality where you build a system and I don't think we do enough business process change work really. Because it's the responsibility of the business it's easy to palm it off on them.

But to go back, Company A has got... well you know, they've got loads of different businesses in different countries through acquisition, through winning new contracts. They inherit contracts from previous competitors to have their own processes. It's very client driven, very customer focused, wherever their customer wants to get. So,

you end up with a bunch of different processes in different countries, in different contracts and it's to help standardise that. Sorry, go on.

Q Duplicate processes.

A Sorry?

Q Duplicate processes?

A Yes, duplicate processes and processes that differ between contract, region... sorry by contract that's a Company A weird term. You probably know, but that's like a customer so they would call Shell a contract or BP a contract.

Q Yes.

A But yes they will have their own processes a lot of the time so part of it is to bring that into one standardised process, and there's a reduced cost associated with that. Particularly with the back office stuff like finance and HR, that's delivered through our Concord Programme where we roll out the same system and process together with shared service centres. So, pretty much along the same timeframe we've got shared service centres in Delhi, Aberdeen and Houston.

Q Right, so I'm just writing some of this down and I am recording it but hoping to transcribe it all and then try and develop themes out of these ideas you're talking about. So, when the actual... I guess either by the original strategic approach or the existing tactical approaches that are being developed, as you say a business case for Oracle Cloud, I guess, has there been any type of method or any approach in terms of those strategies or are they just simply an idea that is presented back to the business?

A Yes, there is a strategy. I wouldn't say it's a particularly...

Q Robust one?

A Yes, I don't think it's a robust one. I think it's a clear strong vision, you just get... the strategy is the CFO making comments like, 'if that's a transactional administrative role why couldn't that be done for cheaper out of a shared service centre?' But there also is some strategy to it, like all AP [Australia-Pacific] moves to a shared service centre, all payroll moves to a shared service centre.

So, there are some hard and fast rules to it I suppose, where it's a bit more strategic than just whatever somebody thinks of at the time. But I wouldn't say it's a clear and particularly well rolled out vision other than just a general, well it makes sense to go to a shared service centre for efficiency.

Q Okay, so I guess this is where we're going on to what I define as exchange value. So, when we talk about exchange value we're often trying to reduce headcount and maintain the existing price for a service, for a commodity, for resources, for fixed assets, for any of those type of big areas that I guess we call. So, if for example you can... if it takes... if an existing employer takes 100 minutes to process ten timesheets, okay I know that sounds a bit slow but...

A That's your kind of rate.

Q Yes, that's my rate of processing here; and you could replace that with existing technology, what you're doing essentially is reducing your labour and still charging at the existing price to process those timesheets, but at a faster, more efficient way of processing that. So, that's what we call exchange value. Do you actually think that is embellished or do you actually think that mandates all those ideas, are taken into account when you actually develop the strategy?

A To some extent. I just don't think it's probably done well enough as a combined global strategy. I think the management is regionalised and it's by geography and you

get managed... although it's slowly changing to be a bit more global managers are given quite a lot of autonomy. Because it all comes back to their P&L, and their revenue recognition, and what their bonus is on, and their own contract and that drives a lot of behaviours. So, you end up with a decentralised version of that where it gets done potentially slightly differently in other countries and regions, but that exchange value has definitely happened, and I guess probably in two ways as part of our programme.

One where, like you say, we've made a process more efficient so we can get an invoice out of the door more quickly, and it's got more robust information to back it up. Whereas before maybe a client wouldn't pay until they go all the backup and now we can produce that in a quicker timeframe.

Two is where our system, like the Concord programme and solution is an enabler for people to get to one system and process. So, it enables them to go to a shared service centre so the perfect example for the concept you're talking about was in HR where they used to have individual HR administrators and advisors per contract, Shell, BP, whatever. And as part of the Concord roll out we brought them all into the same system and process and into one shared service centre.

Q So, consolidation.

A Exactly and got rid of... I can't... I would have to go in... if you need the actual number I could go and find out. It was about 40 heads.

Q I might come back to you on that. I might actually come back to you but I'll try and be selective about what I do come back to you on. So, the other question I have, do you think that the overall strategy that you've created can influence prices within the market? So, could for example... the strategy Company A have created do you

think that could influence prices in North Sea oil production? Put pressure downwards on the production of oil or do you think that's just too great a leap?

A I don't know about actual barrel production but I think it does... I think it has influenced at least... probably not many other markets but I think probably the North Sea market is influenced because of a downward trend in terms of costs for operators. So, we're charging pretty much every operator we deal with less than we did previously and that's a competition thing.

You know, Petrofac and Amec which are our biggest competitors for North Sea have either before Company A or after Company A done similar programmes, and I do think there's a competition thing there that's given it a downward trend.

Q So, I think this goes back to what is in terms of labour theory, where each competitor tries to reduce their headcount in order to influence the commodity prices. For example if you had ten factories all producing socks and each of them tried to make their processes more efficient, and therefore they could reduce the headcount but still charge the same price, or maintain the same commodity price, then the overall goal of prices within the market are maintained, if not kept lower.

For example what I like is we're still charging almost the same in airfares as we did 20 years ago, essentially the air fares have not really risen in terms of inflation. So, for me they've reduced all their costs or they've thrown a lot of their costs out. So, I guess that's an area that interests me a bit.

A Yes, I mean that has definitely happened in North Sea at least. I'm not sure about Petrofac but Amec followed Company A in doing an HR shared service centre, similar concept. And actually went one step further and moved their shared service centre down to near Manchester for cheaper labour instead of having it in Aberdeen,

and they made a whole lot of people redundant to reduce costs as part of that. So, I know it's definitely a factor in Aberdeen with the pressure on the oil price.

Q Do you think the strategy makes... overall do you think this makes it more competitive? If Petrofac and all those other competitors did the same do you think it makes for greater competition?

A It does, it definitely does, there's definitely still a big competition element, and I think when you put business cases and stuff to the board that's one of the specific things they will look for, is competitive advantage and they will call it out as a specific item they're interested in. So, if you're doing something different and arguably better than a competitor they'll take that into account.

I don't know if you looked at the Company A's Report from... it's maybe a year old or something now, and he was talking about to maintain the viability of North Sea is to actually get collaboration between companies. It used to get talked about when oil was 20 something a barrel and it doesn't really get talked about anymore because I guess things are less dire. But there was chat around Company A at the time of how can we even collaborate with companies like Petrofac and Amec to potentially share services even across companies.

Which I wasn't sure about and nothing really came of it, we're not really doing anything with that but that was one of the things in the Company A's Report that he was suggesting needed to be done to maintain the viability. So, that's like an anticompetitive thing. I'm not quite sure how that fits in.

Q I do understand what you're trying to get at. Do you think if... how do you think that may have resulted if they did go down that track?

A I'm not actually sure. It's kind of a weird concept to me. I didn't know how it was going to work because then there's almost no differentiating factor between some of the big competitors like Company A, Petrofac, Amec in Aberdeen. If you're using similar or the same shared services, and that probably means potentially the same project controls tool, which can be one of the only client facing systems, potentially the same invoicing tool. I don't know, I couldn't really see how that was going to work but nothing really came of it anyway.

Q So, just... do you think the labour or the reduction of labour costs... sorry let me just go back. So, what evidence do you have that suggests that this major strategy or this major initiative that Company A have undertaken may have influenced in any way shape or form, what evidence to suggest that may have worked, in terms of reducing prices, in terms of reducing costs in the overall market?

A Yes, we're not great at tracking value and benefits here. It's definitely reduced staffing levels and that's been tracked. So, that's definitely happened. We've definitely shifted a bunch of stuff to a shared service in Delhi which is a really easy one. We get... a burdened cost for someone in Aberdeen is £39,000 or something for an administrator and a burdened cost for the same person in Delhi is £13,000. That's a really easy one to say this is how we've reduced cost and it worked.

In terms of some of the other efficiencies and qualitative stuff we haven't really been the best at tracking it. I am trying to get hold of the employee survey results from last year actually so there would be some engagement statistics and stuff to come out of that, which I can share with you once I get it.

In terms of performance in the market we've lost one huge contract and gained another medium sized one so we're actually slightly worse off in terms of Aberdeen



specifically. Globally they're doing better. They've picked up big chunks of work in... Malaysia especially is a big growth area. They've picked up a bit more in Australia. Yes, they've done... and they've kept contracts in Aberdeen which potentially they could have lost to lower cost competition.

So, even though we may be not getting more revenue it's difficult to measure whether it's truly better or not. I mean the share price has gone up so the investors like redundancies, if you can measure it that way.

Q So, as a result of these changes you have been awarded more contracts which is potentially evidence that suggests this has had an influence within the market.

A Yes, globally we've definitely been awarded more contracts. Aberdeen specifically has kind of been flat but then I guess that's down to the North Sea market in particular.

Q Do you think if you didn't pursue this change you continue to maintain existing contracts or be awarded new ones?

A I think we would get less to be honest. If we didn't have this we wouldn't have been able to reduce costs as much and I don't think we would have picked up some of the work we have. I know in Gulf of Mexico and Alaska, I don't know if you... you probably don't follow Company A news but they recently got rewarded a big five year deal up there, and they specifically mentioned systems and the contract win for that. So, we've got our IMPERIUM project control system that sits alongside Concord. Well, is actually part of the Concord programme now, that IMPERIUM project, and IMPERIUM and Concord were specifically mentioned in the bid, and mentioned as one of the reasons why we won that work. And that's I think the biggest ever contract

Company A have won maybe, that combined Gulf of Mexico and Alaska. It's something like \$5 billion over five years, something like that.

Q Okay, I think we've done with that one. I'll try and speed this up a bit. So, when we discuss products or services there has to be a need to use or consume that product or services. Do you think that there have been unintended consequences as...

A Sorry, you're breaking up there mate.

Q I'll repeat this again. So, when we talk or discuss products or services there has to be a use or a need to actually use the product or service. So, when we talk about products or services we could be talking about processes, we could be talking about architecture, we could be talking about front end applications, we could be talking about mobile apps, we could be talking about any of those things. We could also be talking about departmental use, so use of shared services.

Do you think that this strategy has had an unintended consequence or has had an influence on those needs, the needs to use those products and services?

A Yes, I mean some aspects I can think of is like the self-service. Self-service and automation is a big thing, more approvals online, more information being updated by the consumer, if you like, rather than an admin agent doing it. Which is actually almost a false value but, you know, if you take it away from a cheap administrator and give it to a potentially highly paid manager to do, and that doesn't get measured really but it's definitely influenced how people interact. You know, we get approvals online for POs, stuff gets created automatically that didn't get done before and required a manual process.

So, all of that type of... a lot of that type of interaction has changed. There's shared service stuff, there's new processes to put stuff more into a queue. There's a system

that manages logged calls and stuff and that process has changed, rather than just you might have your own administrator that you just call up or email and get them to do something.

Q     Alright, so was there ever a greater sense of worth on existing services or products? Let's just take for example you have pretty much made a redundant, or closed down one department, and offshored it to the shared service in Delhi. Do you think there was ever a greater sense of worth on the existing department, that existed, or it was completely not needed or not required? No one missed it, no one placed any value on that service.

A     No, definitely there was a big amount of value based on the legacy way of doing things because it was nice for people. A contract manager would have their own administrator or their own small team to do something, whatever they wanted, and that's how you get contracts with their own individual processes, that they've got their own little team that they can do whatever with. So, obviously as a manager you prefer that flexibility.

At a kind of middle manager level there's definitely value been lost there for them although some of them might see, well that's the way the market is going so we need to suck it up if we want to remain competitive.

I think when you get to a senior level of management, you know a director or a CFO level and above, they haven't really missed it but then they probably wouldn't have had much direct interaction with the legacy model anyway. They definitely don't miss it and see the value in the new shared service model, but like I say they maybe didn't have as much interaction as a mid-level manager.

Q Okay and do you think people... I guess the alternative explanation to that was do you think people place a greater sense of value on the new services and products?

A Yes, I think they do, definitely. I think people... although there's frustrations with the process, it's less flexible than it was before, the vast majority of people, I don't know, 90% of people have said they recognised that that's the way to go. It means we can pass on savings to customers, potentially, it reduces Company A's cost base.

They recognise the importance in the market. Company A and competitors put investor relations press out about reducing cost base and that type of thing. There's always that type of pressure and I think most people realise that that's the way the market is shifting and can realise the value in that. You get plenty of people as we're rolling out Concord even in other countries and stuff that will push for that shared service centre model even though they lose maybe some personal benefits of doing their own job in a particular way, because they see the greater value overall.

Q Do you ever see there's been a trade-off in terms of the financial value that's being received, in terms of what's been created, versus the value and use in certain products and services that you've used?

So, for example you've decided that you're going to offshore a number of people, good people and return to... sorry I'm getting lost here. Let me come back to that one. Do you think the services or products was proportionate to its perceived value? This could be greater or lesser.

A I don't know, that's an interesting question. I don't know actually. I think that's probably... as a gut the feel I'd say there's probably a greater perceived value than what it actually delivered but I'm not sure. I might give that some more thought.

Q Sure, I'll come back to that one. So, when we discuss what we call utility value, so for example, there is greater use of coal versus lesser use of diamonds. Can you describe... does such a paradigm exist within the strategy that you've created?

So, for example diamonds versus water. Water's is in abundance and cheap but diamonds are completely useless but expensive. Does that paradigm do you think exists within... and if so do you have examples of that?

A I don't know really, I don't really know what to relate that to in Company A. Like what? What kind of thing would you think of in Company A that would be like that?

Q So, you might have a team that provide... that are in abundance and produce little output or...

A I see, okay.

Q And are cost effective, versus one team member that produces no output but its perceived value is extensive throughout the organisation.

A Yes, I mean... you can probably think of some diamonds like that in every organisation I guess, where the perceived value is much higher. I'm going to have to just look around before I start talking about any specific names or roles but that exact type of parallel is like our Delhi team I guess.

That type of talk and phrase gets bandied around, a bunch where you say 'well a resource like that is ten a penny in Delhi and we'll just get... even if it takes three or four people to do it over there we can get rid of one person from here'. Then they're kind of setup and almost running themselves I would say... there's a guy that's not even the head of that shared service centre, he's almost like a figurehead for it, for the senior team here in Aberdeen, and I'd say that's definitely perceived value rather

than actual because he's just got his name against the shared service centre. Rather than actually managing it and doing anything with it really.

Q It's kind of an abstract kind of question I know, it's a difficult one to answer and I don't think really a pure example does exist within any organisation but for example the organisation I work in currently suggested in order to increase headcount we just get a teaboy in, an Indian teaboy so...

A That sounds great, I'd like one of those.

Q Yes, we've got plenty of teaboys here. Don't worry it's just a café.

A Caroline would love that.

Q A teaboy?

A A teaboy, yes.

Q Yes, I dare say she would. So, do you think a relationship exists between the services that you've created or developed, that could be a shared service, it could be a process, it could be a product, a physical product such as Oracle Cloud and its surplus requirements.

A And what was the last part sorry?

Q And its surplus requirements. Do you think a relationship exists between a product or service that you've created and its surplus requirements.

A I'm not sure what you mean by the surplus requirements bit, sorry.

Q Okay, so you might develop a number of requirements, key requirements but there might be also pet requirements. Requirements that add a little bit of value but not too much. Do you think one exists within the strategy Company A have created?

A Do I think one...

Q Yes, so you've got a list of requirements that have been agreed by the business and then someone comes along and says, 'we want another half dozen requirements' that don't add value... that may or may not add a lot of value to the actual overall product that is created. Has that actually ever occurred in this instance?

A Yes, plenty.

Q Where pet requirements have been inserted into the actual requirements exercise.

A Yes, completely. It's probably where our process falls down a little bit sometimes actually. Is we've got a change request process that we try and take those requirements through but we don't always capture... or we don't capture it at all in a meaningful measurable way, the value of that change request.

It's really all about does the business want it, how much does it cost and then it's just down to our programmes director to say yes or no and he's really basing that on his gut feeling and where there's a customer... you know the person asking for the requirement, how loud they're shouting.

Q And do you think that's... and that is a common thing through the organisation? Where there's been a list of requirements inserted and it's essentially measured on gut feel or approved on gut feel?

A Yes, completely. I'll take... we're doing some absence integration. Part of the solution now where they've got some extra requirements and it will mean... it will cost us more to do it but nobody's measuring what the cost is versus what they value is to the business. Other than it's somebody senior that's shouting for it and it will shut him up and we've maybe got the capacity and money to do it.

Yes, or even Cloud as well. We get to a stage where at every point in the process where I'm going through the business case and I'm still a week or two from finalising it but there's still... even though I've got a signed off list of requirements there's still new stuff coming through every week saying, 'well I didn't mention it but we need this'. It's very difficult to manage when there's cost value benefit to consider and there's solution architecture impacts to consider at the same time. Well, what impact does this requirement have on some other area and process?

Q Do you think where surplus requirements are being inserted into the business case, and a product, or process or service has been created, do you actually think there's been any use value in that, where those requirements have been inserted?

A No, not for some of the examples. Another good example I just thought of there was payroll in Abu Dhabi.

Q I remember that one.

A Sorry?

Q I remember that one.

A Yes, so that really stacked up in terms of cost benefit. It was because the director in the region said, 'well if Australia's getting it I want it' and they used... they just bundled everything together, used benefits from something unrelated to payroll to pay for the payroll bit of the implementation. So, on its own merit payroll implementation for Abu Dhabi and Dubai never stood up because it cost us more than it would take to run their payroll for about... it cost us more to implement than it would take to run their payroll in their existing legacy outsourced way.



I think it was about eight/nine years and they could have kept running it for the amount it cost us to implement. It just never stacked up but because the director was like, well if Australia's having it I want it. It was like little child, that's how it ended up...

Q It's the Australians. Alright, so a little bit more to go on this so I'm hoping I won't take up too much more of your time. I'm hoping you might... this is probably a cathartic experience for you or not, I don't know.

A Yes, it's good, I'm enjoying it actually. It's giving me a bit of clarity on what I'm thinking and especially with that cloud business case on the horizon.

Q So, when we're talking about utility value you're talking about diminishing returns. So, the more the product or service is used it is likely that... okay so the more the product is used then the less people enjoy using it. So, over the period of time you've got for example... I'm trying to think of an example. Mobile phones, for example, has a market saturation but its actual enjoyment or use value diminishes as market saturation hits its point.

Do you have any examples of where that might... that phenomenon might have actually existed whether in previous products or services which were once used in Company A, or new services that have been introduced but have had a short use and then they've just been completely abandoned further on.

A Well, I would say that is kind of happening with cloud in that we've got this eBusiness product that's 50 years old now, pretty much, without changing very much, although they've only had it in Company A for five years or something. They're definitely bored of it, people can't be bothered to log in and do stuff, and part of the case for cloud is that people will be more likely to go in and use it, because it's new and shiny and pretty, and it's got a nice mobile interface and all the rest of it which

the legacy one doesn't have. So, you end up with people not following processes or doing things properly because they don't enjoy using it so they can't be bothered.

Q So, Oracle Cloud has been the answer to products or services that either weren't followed, weren't used, and now Oracle Cloud is the answer to resolving those in terms of product, process re-refinement and in uptake of services and products.

A Exactly, yes, that's the case we're putting forward and Oracle actually have some reasonable data to back this up. They've got a bunch of surveys and I could send it onto you actually. They've got a person report, it's a company that do industry data stuff, and we got some data through them to say on average employees are this percent more engaged through cloud and use it more than other systems. So, yes that's what we're going forward with as part of the business case.

Q I might come back to that. Do you think an alternative explanation to this is that there will be continuous use in the Oracle Cloud or will it diminish over time?

A I think we'll see the exact same thing that we see now. I think it will diminish over time and I guess maybe the difference with Oracle Cloud is it is a different product so you have to take upgrades. It does get upgraded once every six months at the moment. So, there will be new functionality, and changes and stuff coming out as you move along so we maybe won't see the same fatigue as we do with eBusiness, but I can still imagine it happening.

Q An aspect of value is when we talk about an aesthetic value we're referring to the notion of objects, processes and interfaces, and their beauty or ugliness and their connection to their value and use. Can you... do you think a phenomenon exists there in terms of what you're trying to create, or trying to reinvent, or what you actually are

creating is actually going to be aesthetically appealing or has no aesthetic value whatsoever.

A Well, it's huge for HR, finance and other people are less motivated by that, but as soon as you get a pretty picture in front of HR they are into it massively. So, they like the new user interface for cloud, they get some flashy BI reports where you can hover over stuff and there's nice pictures. That definitely plays a part of it and feeds in turn employee engagement again. If it's nice to look at and nice to use you're more likely to actually go in and follow processes and use the system.

Q Do you think people are less likely to use a product or service where the design or process is just an ugly looking process, do you think people are less likely to use that?

A Yes, definitely. We get people not following the current process sometimes because they don't like it. They don't log in very often because it's not a great experience so they forget their password, then they can't be bothered to reset their password and they just go and do something off system.

Q Was the strategy aimed at promoting greater use value products to [unclear 00:54:53] or was the aesthetic proposition how the business process achieved an aesthetic appeal? So, was there intention to create something that was purposely beautiful or not?

A I think there is for cloud, they hang their hat on employee engagement and try and create that experience. We haven't really done it very much up till now. It does have an influence but I would say it's down the priority list.

Q So, where there is an aesthetic requirement how do you define the relationship between those requirements and the needs of the users?

A Sorry, say that again.

Q Where there's an aesthetic requirement how do you define the relationship between those aesthetic requirements and the needs of those users?

A Anything aesthetic is nice to have so if it takes two minutes to do then we'll usually do it. If it's anything more than that we usually won't as a rule. Aesthetics is... like I say pretty far down the priority list in terms of requirements.

Q Do you have any examples of this?

A Yes, we do it heaps in eBusiness where we've got these... in Oracle they're called OAF pages but they're just like webpages really for bits of functionality, and a user will say 'can you change the name of that to be something else? Can you change the colour of that to be this? Can you move the order of this round on the page so it looks nicer or is a bit more intuitive?'

And usually if it's something we can just go in and use Oracle personalisation's they're called to do it then we'll do it and it takes a few minutes and it makes them happier. But if it's anything that needs more work than that, or if it's customisation or something we just say no it's not... we're not going to do that.

Q So, just going... I won't take too much more of your time, probably another 15 minutes if that's okay?

A Yes.

Q How do you inform the rest of the organisation about the overall strategy?

A There's a steering group with senior managers in it that get a look at the overall strategy. Then it's kind of left to those senior managers to pass that onto their teams and that happens to a greater or lesser degree depending on who it is. So, that dissemination of strategy is... that's poor in Company A really.

Q So, not that this has a huge bearing on what we've just discussed, I'm just curious to know, how you've promoted the idea of the strategy and the value proposition across the organisation, and whatever you might have to suggest that.

A So, every time we would roll something out to a new region we say this is the functionality that will be implemented, and these are the kind of benefits that you get from having one integrated system like that.

Q What about dis-benefits like perhaps that there might be a reduction in headcount, how is that managed in terms of the value proposition?

A Again at the very top senior level pretty good, I'd say it's quite transparent; below that it's pretty awful actually. I mean when we did the Perth implementation it was very awkward coming in as the programme team and talking about a system, and some people in the room it was going to... they could see this system was going to make their jobs redundant, and no one had had the conversation with them. It's not really our place as a programme team to have that conversation and it was done very, very late in the day.

Actually for Perth it was about a month before going live that they told somebody that they were getting made redundant and their job was going to Delhi. So, they'd been on the project for five months or something and then they waited until the absolute last minute. It was so awkward. You have to go through testing and stuff and people are like... they're testing a product and they're like 'wait a second Oracle is doing everything that I do now manually off system', and the realisation hits them and it's just so awkward.

Q I guess that's... how do you... it's not good. Are you able to tell me... how well linked is the strategy to other processes? For example is there a relationship between

programme and project governance such as prioritisation models. So, how do you prioritise Oracle Cloud versus another initiative? Can you give me examples of this and how this has influenced... has had on creating value?

A At very top level I would say it's managed fairly well, at like a group steering level. They'll take a look at this cloud project, and I've had to overlay a potential cloud roll out schedule with Concord and eBusiness and what the impact will be in terms of cost and also benefits realisation. I've had to model that plan out and what the impacts are in each of the projects.

When you get down below that and you get somebody like the programme director that deals with one pot of money potentially split across multiple projects and he will make individual decisions that are really just based on a conversation, or again somebody just shouting. And he might make a unilateral decision to take resource from one project to another without understanding any impact and that can have a cost and a benefit impact. That kind of thing happens all the time.

They've taken somebody off a Baku payroll implementation in Azerbaijan at the moment and that was about to go live. And he's just taken that person, put them to helping Australia with some issues because Australia was shouting loudest. But then there's not tracking back to say 'well Azerbaijan are going to have to continue with this manual process, and this outsourcing payroll and time sheeting for however long, and that's going to cost X and that's going to reduce our benefits by Y'. There's none of that measurement.

Q Alright, last couple of questions. Do you think value, the concept we've just been discussing, value and use, utility value, aesthetic value, exchange value, labour value do you think any of those concepts are being promoted across the portfolio or

the portfolio enterprise, across this entire piece? Do you think any of those ideas are being promoted as... do they espouse the idea? Does everyone espouse the idea or is it just in silos?

A I don't know, a bit of both. I wouldn't say everybody does but you get pockets of people. You get pockets of resistance as well. I don't know really, I don't know how to articulate...

Q That one, yes that's fine. I don't have any other questions. I think that's pretty much... I think what I might do is come back to you if I've got any other questions I have, if that's okay?

A Yes, that's cool. Like I say I'm free this time next week.

Q Alright, I'll just probably shoot you an email about what those questions might be but I'm going to try and frame all this up in terms of what evidence and how value has been important across the actual strategy there.

End of interview

**Temporary Organisation Two****a) Interviewee Seven: (Programme Director)**

Interviewer: discuss, but don't know whether you've read much teaching or-

Interviewee: I didn't see that. That's [crosstalk] email, isn't it? In which you'd written-

Interviewer: Yes.

Interviewee: -some material. Maybe that's what I read--

Interviewer: It's not.

Interviewee: How much of it was in there?

Interviewer: There's only so much [unintelligible 00:00:21]

Interviewee: Yes. I'll have a read of that.

[crosstalk] [unintelligible 00:00:22]

Interviewer: I took the tables out because [crosstalk]

Interviewee: I've recently marked [crosstalk] to which popup businesses and the effect on the economy it might deliver here.

Interviewer: My research is about value and the value that the temporary organization, which is projects like similar to the one we're on at the moment or projects within the business, the value they provide. What we're trying to do is establish what the use are the values that they're creating and how that might affect share price or profit and loss in the business. What efficiencies would be gained in the business and how did that affect the customer? Or the actual overall business itself. I'm kind of doing that and also researching another business in Muscat.

Interviewee: All right. So that's a utilities [unintelligible 00:01:26]

Interviewer: Yes, oil and gas, because I did- the first part of the research was in oil gas, so continue that theme and this one was obviously, a bit more separate, a bit more



ring fenced from a business change. They're the kind of things I've been trying to get at. Also going to use other material, such as finance material and other things that I can get my hands on. I was just wondering, if we could first start by talking about your role within Airbus and what, essentially, your role is in this business. What do you do in terms of the products that we develop. I suppose you can start talking about that.

Interviewee: Yes, my role is to deliver in line with customer requirements so that revenues for Airbus are maximized, [to meet their] margin. Coming into the organization, where there was missing lack of delivery, of course then there was a distinct lack of revenues. Now, the viability of the business was at risk and through the delivering different parts of the program, choosing which parts to prioritize, then my ultimate outcome is to get us into a position where we're getting requirements more clearly defined, we deliver in line with those requirements, reaping revenues that respect the margins that you need, in order for both [crosstalk] and also make profit for the business.

Interviewer: In terms of your role, the role in the actual business, how would you describe the way that you develop some of these products? If we could discuss maybe IPND or training, transformation training? Transformation's an easy project, already in those other projects, how would you describe your role in developing and shaping those products?

Interviewee: When you say product, do you mean product as in the delivery program or your main product as in the equipment for the product. Are you talking [crosstalk].

Interviewer: The use of-

Interviewee: -concept of product.

Interviewer: Yes.

Interviewee: I think it's quite-- almost getting back to the fundamentals of how do you deliver something efficiently. The product of the delivery program, if you can call that a product, was not clearly defined and not properly used. The way I developed the product to get more close to what is required to be fit for purpose is, again, to give a lot of emphasis to requirements and therefore the customer and understand what the customers' needs are and sometimes helping the customer understand what the customer needs are and, of course, the customer has a customer, so understanding the way that what will be delivered will be used, in order to force the discussion regarding requirements.

Push a lot to get us a more established and clearly defined set of requirements. This is not an overnight activity and so on in the problem we've seen improvements in certain areas and across the board we have seen an improvement but I'm consistently going back to push to get us to be defined requirements in a way that I would expect to see in the businesses that I've worked in our past 30 or so years.

Interviewer: In terms of the requirements that you've managed or supported-- I don't know if that's a better word, what was the process that you went about engaging with the various stakeholders to define those, to clarify those, to influence those. What was the process?

Interviewee: That was like a proto-processing, which we needed to establish decent healthy customer relationships, which we're seen when I arrived and to get those propagated across the organization. Our organization, so that our customer focus, in order to get a rapport, understand what customers are there to do and want us to do, help them to understand what their requirements are, in a way, which is quite focused, rather than a generic feeling about wherever we would like to be. In order to

challenge the customer in order to specific requirements in that way you have to have a good customer relationship. So putting down initially of the good customer rapport was the most important thing. It had in itself as part of the product.

It was almost a measurable value in terms of what we were aiming to do to [the] program, which was a long long way from the kind of conversations and discussions that we were having at that time, so a very conscious move to get me and the team to just get a good rapport with the customer by doing things like just getting to know them, talking about what their objectives are, helping them to interpret requirements and challenging them on lack of definition, addressing broken relationships, stepping in, just build a better customer relationship with the customer focus to get us to a position where we can have a straight conversation about, "What is it that is your [...] customers' objective? What is your objective in order to meet that? Therefore, how can this organization support that?"

There was a lot of work done in establishing what as missing in terms of a relationship for the product or for the delivery program.

Interviewer: That relationship that you've built up over in the last two years now, how would you describe-- Could you give an example of how that relationship has influenced those requirements, or maybe discuss—

Interviewee: Yes, I can. I can give you a good example. The routes [that have] taken us now, but through developing a good customer relationship, delivering in line with understood requirements, then establishing a customer confidence, I got us to a position where a customer was saying to me, "I would like to extend you belong the end of 2019," and that that was [...] was saying to me, "I can't see what other options I have."

As a result of those things I've just talked about we were in a position to expand the business and to get more revenues coming in because we'd built the customers' confidence. Now, in getting us that that position, sometimes I looked Stuart in the eye and told him something he didn't want to hear. I did that deliberately, well, because it's best to be straight, but also so that he knew that if something wasn't right we'd tell him so when I told him something was right, we could deliver and we could expand, then he could trust in what I was saying.

Interviewer: Right. Okay. You built up the confidence and the relationship and the respect in that sense. In terms of this relationship would you be able to explain what some of the outcomes or the deliverables that you've had influence over? I just want to go into an area now where we're discussing the use that you particularly through the capability for the guard.

Going back to that area [by providing] social value or stakeholder value I wanted to discuss something between that and the product design of any of the projects that you have been doing here. Not really one specific product maybe, but I'd like to see how that was developed.

Interviewee: I'm saying if you start with that kind of rapport and your product design is accelerated-- we were always in a position where we were recovering a situation. We're still doing that now. Recovering it to get the product to meet the customer's need, but the customers, they were all struggling with being cleared. Now normally what I would do. I say normally--

Interviewer: Best practice.

Interviewee: What I would do is getting at the customer, understand what is going on. Get to a position where they know that I'm thinking of what's in their best interests in

order to develop the product that I'm going to deliver to them, which is a program. The position is a difficult one but the clear definition right at the start of the headlines is the essential thing for the development of a product. [...] Again through a good customer rapport that can reflect some of their needs.

An organization, if it's a temporary organization, a short-term organization then being nimble about getting to the point of that customer requirement. Define that with the customer, work closely with the customer and then consistently referring it back to that with the customer present would keep tight with our customer, make sure we are addressing their needs and are sensitive to any changes that they have in their needs.

Any close customer relationship's important if you've got a big established program with a routine contact but if you're temporary or short-term I don't know if the two things mean the same thing if you're temporary or short-term, but that very much closer relationship with the customer is how the product is defined and evolved. Although we're better at it here than we were we've still got work to do.

Interviewer: Just in terms of the use value we're providing back to the customer. Would you be able to give some examples of products that you've delivered broadly speaking? I'm not interested in too much detail but some products are to be delivered to the guard. What use has that been to them?

Interviewee: I think the main [product] was devolution training. Training transformation is a good example of something which was an option, was defined working with a customer and the guard, which involved collaboration so the guards didn't have this expertise, so they couldn't ask for what they wanted. They needed to be guided but ultimately they needed to know what to ask for. Again, a good customer

relationship is an important part of helping a customer get to where they need to be without specifically telling exactly what they've got to do because there's business risk in that. If you take that kind of business risk then you're a different kind of organization, like a management consultancy might be the Lloyds one or Price Waterhouse Coopers or something like that.

There's a fine line to be walked but then if you look at how that program has evolved, the customer is now talking about training in terms of they didn't used to talk. They start to understand frameworks of training and they start to get a bit more customer intelligence around training and then they start to ask for things which would be the evolution of the product itself and then they influence the product as it's developed. There we develop more training establishments, for example. Then you can see how this would then develop into there is a professionalism of training, which they're not yet at, but they're talking about and on the way to and again, it's an organization that's always provided that capability, then you're well positioned to get that work as well.

Interviewer: If I could just briefly describe in the course of the last 20 minutes, half an hour that we've discussed, that a large part of your focus has really been on the stakeholder engagement, which has ultimately led to defining the product. The example you given has been training transformation, which has given the guard their frameworks and ultimately, additional training centres, and a professionalism around training. Would you say that is a fair summary?

Interviewee: I think that is. [crosstalk] It's the priority. When you approach a program, particularly one that's in distress, and you've got to pick where you've got to make improvements. That was clearly a very bad and damaged broken area that needed lots of attention, particularly in the early stages and continues to need that kind of care.

There's a lot now, a lot of improvement. A lot of the work I also have done is to put in place aspects of it-- again, we can talk about the program as a product, aspects that were missing from the product. For an example the weekly meetings that discuss delivery, which involves the stakeholders to understand both how we're meeting the customer's needs, but also Airbus's revenue and margin and charging needs and things like that.

I've spent a lot of time bringing the commercial aspect into what we're doing here and of course if you deliver well to a customer's needs then that will generate revenue and it should generate good management revenue because you've considered both the customer's needs, but also how best to do that and don't necessarily take on board whatever work they throw at you because again, being involved in that conversation means you can challenge their requirements and ask them do they really want that.

A lot of my work has been to do with getting in place the disciplines, the process, the communications and the program, the reporting mechanisms, the tracking of the key information, and the business intelligence that enables the executive director to make decisions about how to make things deliver, how to organize the resource, how to get the revenues in, how to contract [with suppliers] has been important that there's been a broader building of the product, which is the program, many elements which were missing[.]

Interviewer: I just wanted to [...] get onto next was the design of the product or the temporary organization. Could you describe briefly, how would you describe the overall organization that you've created, even within Airbus or Airbus, the micro organization you've created.

Interviewee: Do you mean in terms of organizational structure, as in the delivery department?

Interviewer: Yes. You just briefly mentioned reporting, structure, discipline. I'd really like to just look at that in more detail.

Interviewee: Okay. Yes. So, basically--

Interviewer: And the value that may have brought to the design of the product, to delivery and transformation. How did that-- what are the--

Interviewee: So, organizational structure, to begin with, was not suited to delivery, which was ill-defined and requirements were absent, effectively. By building a customer rapport and understanding the objectives of the customer then the objectives of Airbus could be defined. By setting up those objectives, then, the way to achieve those objectives, which, different structures they talked about in terms of meeting, a very important feature, but the way to achieve that is how the team is built in order to achieve those objectives.

To begin with, none of the programs were delivering. The core [team] was somewhere [...] that I'd selected as that has to be the priority. So, the organizational structure was built to recover the core position into one of delivery. The core department was larger than the other departments for the delivery program. Once that happened, then the customer objectives were clear, or better clarified, then the organization and the people in the organization had shared objectives. That's personal objectives, which meant that the reason they came to work was a list of three things, for example, which were consistent right away through the course [of the programme, for] example, but also looking at a broader delivery program perspective, then again, defined objectives



interpreted with relevance to the arm of the overall delivery program meant that those teams were aligned to those customer objectives as well.

So, anything then, that they do, such as enhancements, or improvements to what they were doing, which would equate to product development is only done with the customers' objectives in mind and also bearing in mind Airbus Airbus's objectives of revenue growth and margin, for example. The objectives now, because we've moved to the next stage, which is to improve the edge [programme], the organization structure has more people in the edge [programme], it's more attention in meetings going into the edge and also the other department program is secure mobile radio so those are the largest revenue, most important to the customer programs and the breadth of the program directorate.

[It] is on the way, we meet when we give our teams objectives and the way this [...] department is targeted is all around those objectives and [how] objectives are to deliver as much as possible for the customer, to bring in most revenues that we can, with the margin that's required.

A simple headline objective just now, they're broken down into what's happening in the secure mobile are, what's happening [on] the edge [programme], what's happening [overall]. The whole department is geared towards this achievement and in there is the Airbus need and the customer need, and the customer need-- the Airbus need they've achieved, they're achieving the customer need and therefore, you get the alignment of the teams. So, the whole, what we talk about, how we talk about it, we call all that the products that is being influenced by the purpose of the product, which has evolved in different [ways].

Interviewer: In terms of the actual resource structure of the organization, would you say-- How would you describe that? Would you describe those as divisions of resources or would you say that the resources were more of a collective body?

Interviewee: So, we changed that. Initially it was very much narrow vertical groups, who didn't have a breadth or interest or motivation or incentive to consider anything other than for example, saving on delivery. Actually, vertical's a bit of an exaggeration so at stage two project manager would have no clue about what the other stage two project manager doing on their side. They would have no idea or interest on what the project manager responsible for delivering fibre was doing that would connect up those two sites. It was just completely disconnected within the organization.

[...] At the moment, the latest organization structure features a matrix team. The matrix team is the project managers, for example, who, I expect will have both-- you heard it when Ben and [Craig] came in, stage two responsibilities and then stage three responsibilities. Again, they're entirely separate. The stage two and stage three edge customer equipment sites are just customer equipment sites. They look very similar. It's just our contract that's told us we've got to talk about these things in different ways. That means that by keeping them separate, we are preventing ourselves from being efficient with our resources.

You could have a stage two customer edge project manager, who is only busy for 10% of their time but because they're stage two, that's all they'll do but they could be working next to a stage three customer edge cycle. All the same kind of skills required, which the resource is insufficient. So then 120%. The purpose of the matrix is to get access to get them the resources, more flexible and to recognize that the program will change and shouldn't be dictated by the contracts or construct that was put in place,

but should not be dictated by what is it that we need to deliver to achieve the customer's needs and to deliver their revenues for business.

Interviewer: Would you describe the organization, in terms of-- Do you think what we deliver and how we're geared to deliver, do we create products or are we an enabler of delivery and use value for our clients?

Interviewee: Do we create value for our client or do we--?

Interviewer: Are we the ones that are ultimately in building the actual products, the capability products or are we enabling those other supply chains to develop them?

Interviewee: I don't think I understand the question.

Interviewer: For example, the way we designed is we're priority driven. We've got a core department, we've got Airbus objectives and they're designed in a matrix. Would you describe that as enabling the products to be delivered to the customer or would you describe that as we're building the products for the customer?

Interviewee: Okay.

Interviewer: Does that make sense?

Interviewee: I think--

Interviewer: Sorry I may not [being clear]

Interviewee: I think there are different types of products so-

Interviewer: Moving back to training transformation, as the organization that you've created, would you describe that as Airbus or Airbus has delivered that product or you describe that as an enabling that product to be developed?

Interviewee: If we call the product the program of works where we're developing that, but if you think from customer perspective what they're going to do as a result of the of the work we do and things being met, then we're an enabler for them to ultimately

for example, train people or have conversations or allow people on board [...] using their telephony course. That is all from the network we've deployed.

I mean basically, not to make it too fancy, all we're doing is putting a communication system in place and then our customer's customer, the [who] will use that communication systems for operational means so we're enabling them to do things in a different way, to be more efficient, to deploy troops or soldiers more effectively, to gather information and make decisions more effectively.

I think that is something that wasn't acknowledged, certainly when I arrived. There was no recognition of we're doing something in order to enable somebody to do something and again this is the importance of how a customer and our customer's customer, what does it really want to do, where, why, all those conversations were absent and that's why the requirements were absent. Yes I we put an ICT capability function, we're putting things in place to enable people to do things at their very end customer level. Now, if you think about MoD, you might say we're building up something which is a program of work of which they can then use to continue that program of work so for that customer we could say we are delivering them a product.

Interviewer: What would you say then to the wider community in-- I'm just going to go into some other environmental factors that to the wider society here in Saudi Arabia, what would you say we've provided them through the products that we have delivered?

Interviewee: We have provided them with increased security for their nation. That's based on the assumption that some of the things we discussed when the guys came in get completed and the network is joined up, but when we have done what we've done, it should be that communication which was impossible before we did what we

did can happen, which enabled somebody to take action to increase the security of the nation or order in a city. That is the big [...] thing but what we will do is we will enable our SANG customer to be more efficient in the way that they fulfil their roles, so they'll be more effective.

Interviewer: Under efficiency, what couldn't they do before?

Interviewee: For example, they couldn't pick up the phone in Riyadh and say, "Can you tell me what is happening in the area north of Dharam?" because we have been talking about their concerns there and based on the information they get back, assuming, well, something's not quite right, they can insert and deploy from Riyadh to get somebody, a group or team of people to go to that place north of Dharam in order to respond more quickly to an incident and perhaps stop the incident from happening in the first place.

Interviewer: Did that require more resources before than it potentially does now?

Interviewee: [To] orchestrate that to happen will require less resources. You may find that as a result of that communication, you need more resources because you now have a challenge that you understand, which you wouldn't have known about before. Now, to continue that thought process, by deploying those resources, you may find that that number of people is smaller because you prevent an incident from happening. If things did happen and you didn't know about it, then you'd have to deploy more resources at more expense because you're then dealing with a situation where [someone's] life is threatened or something like that. So overall, less [efficient]

Interviewer: That's good. Just some of the last couple of questions, what would you say are the environmental factors affecting this temporary organization Airbus? Was religion-- or maybe that's not a good point to discuss, but finances, how money is

deployed into the sponsorship model? What would you say the wide environmental factors are? I mean we've briefly discussed the security factors.

Interviewee: I think this is a practical environmental consideration and that is [...] building fast to a country that's putting a lot of effort into developing its infrastructure. As a result of all that development, the environment in which we're deploying, all that development is an inhibitor, so it's harder for us to do the job because we're loaning out kilometres of fibre and people are rolling out JCBs to put in the foundations of buildings and going through that fibre. It's practically physically more difficult the job to do. The natural climate environment. Very arid, hot, deploying equipment that is designed for cool, chilled, clear air environments. We've been deploying to data centres where we've been forced to go into existing building areas where the air quality is poor and where there is existing equipment operating.

Again, there's been a lot of physical barriers to us just getting out there and deploying. Then we have the permit, permissions side of things. It's difficult to get out on to sites, partly because of site ownership. But you get that anywhere. Partly because of the nature of the customers were working for so it's more difficult to get on those sites because they have to be more careful about how they allow [subcontractors] on. If we move on to cultural backgrounds, then because of [...] political nature of this country then there are different [risks] perceived to be a threat and therefore again getting certain individuals on site because of where they're from in terms of their nation can be a challenge.

Interviewer: How would you describe those environments, [like for example] geo-political side [or] like climate maybe influenced the products that we've delivered and

perhaps even the influence on the social or the stakeholder relationships. Have they created greater tension?

Interviewee: There's been a duality of the product development because the preferred outcome is to achieve what the end customer needs and that is the SANG and to think very much about the operational way that their solution would be used. From an MoD perspective, then their requirements are not the same and there are circumstances in which we have meetings where we have conflicting requirements placed upon us by a customer and the customer's customer.

That again, it serves to be reinforce the customer requirements definition and it also - back to the customer relationship. If you're in a position where you can say, are you two guys telling me different things, what do you want to do about it? and they've at least got a forum to have that conversation in business language. You're all able to arrive at an outcome that everybody agrees on. In delivery, if you have divergence in the expected outcome then its very hard to deliver.

Interviewer: Just one final question. In terms of going back to the capability that we've delivered the product, product capability was there ever any intrinsic desire by the guard to use these products?

Interviewee: Again, it depends on the product that we're talking about. It seems that we're talking about a physical end product that you can use to make telecommunications systems speak to each other. There's also the delivery program product, which is how do you go about deploying the next iteration of this solution? For example, volume [unintelligible 00:40:52] equivalent deployments so what was the question?

Interviewer: I'm just talking about the intrinsic desire. If we talk about the SANG guard.

Interviewee: Well then after is the expertise to manage them and their own program directorate. That helps them get where they want to be. Like that comment you made about saying they're getting to a position where they get professionalism of training and they take control or ownership or become masters of their own destiny or hit Vision 2030 or whatever it is. Yes, that is outcome that is a benefit to them. You could argue that having MoD there is a value.

Interviewer: Could that be an environmental factor? The MoD

Interviewee: Yes, absolutely. The MoD has its own set of objectives. Some of the objectives you won't find in the board meetings that we're having would be along the lines of the longevity of the Saudi British relationship we have in Saudi Arabia and the revenues to the British government for selling the skills and expertise that they have, for example, in the armed forces and professional services to Saudi. Absolutely, their main objective is different from the Saudi guard, who they're not interested in whether or not [they can] can develop program management expertise or not.



## **b. Research Protocols**

### Overarching questions

- Does a governance process exist? And if so, is value imbued within the governance?
- Does a maturity model exist?
- Does everyone treat both the strategy, maturity model and governance frameworks as whole entity?

### Value in Use and Utility Value

- Is there a change in satisfaction with the products/services that have been created or were used previously?
- Does a product or process satisfy a human need?
- Is there utility in a product/process?

### Exchange value

Does a product or service in the COMPANY A have an economic value? I.e. more for less or do you think COMPANY A can offer (or create or augment) its services to various markets that the final price could resolve itself into greater profits by reducing labour costs and maintaining existing revenue streams?

### Interview Case Study Protocol

Part of this empirical case study is to conduct semi-structured interviews in order to create a discussion around three major areas. The purpose of each interview is to frame or contextualise the area of research for both the researcher and the interviewee. The intention is to explore the major themes, seek possible explanations, and explore in depth major areas of value.

## I) Case-study Interview Protocol: Project Maturity Protocol

Interviewee 1: PMO Manager

\*\* Note: Candidate to be sent a diagram of standard maturity to model on consent form.

There are several project maturity models and they espouse the idea that the maturity of projects are a linear stages (Crawford, 2002; Office of Government Commerce, 2009). However, as Andersen & Jessen (2003) argue, that knowledge (knowledge about in/external environment, products quality assurance and similar), attitude (towards risk, a collective or individualistic organisation, power) and actions (decision-making was the underpinning factor for the 'Action' dimension (Andersen and Jessen, 2003) who classify this into four parts, including strategic and executive level, project and programme level, support functions and at the operating levels in an organisation 459)) underpin any broad maturity model. Therefore, how do these three tenets influence value as a multidisciplinary subject?

- A tenet of social value in organisations stems from and influenced by 'attitude'. Attitudes support the co-creation of partnerships both as a discrete entity and as is individuals acting autonomously within an organisation. Risks are

regulated by attitude and attitude shapes the power structures as a resource (Bolman and Deal, 2008) in an portfolio-enterprise<sup>11</sup>.

- In relationship to the concepts of value as I have described, do you agree with those statements, and if so, why? Can you provide examples where attitudes have affected, value, such as risk, power structures within the project? Do you also think that the tenets of value have influenced attitudes – and vice versa? Are you able to provide examples?
- If you take the concept of attitude as part moving up the maturity scale, how do you think attitude influences maturity and do you think concepts as value in use feature? For example, having a right attitude may not only contribute to maturity, but also place a greater importance on use, use being project processes for example or use-value in the product that the project is creating?
- The idea that people and teams within the portfolio-enterprise can influence decisions, outcomes; inform processes and employ knowledge to create competitive advantage (knowledge such as market and product, technical,

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<sup>11</sup> Portfolio-Enterprise is an all encompassing project, programme, portfolio, as well as business and is a central but strategic part of the business. It may be permanent and it may be temporary.

quality assurance and, external environments) as well as generate and streamline portfolio processes. It is this knowledge that influences decisions and choices but also enables people to respond quickly that generate social and exchange value in and outside the portfolio-enterprise.

- Can you talk about the relationship paradigm between 'knowledge', value (use/exchange/social) and how you think those concepts fit in with COMPANY A's maturity status? For example, do you think that knowledge has a strong relationship of using project processes or developing new strategic blueprints and achieving higher-levels within the project-maturity scale? Or do you think that knowledge (strong or weak) h
- Thinking about the same relationship between knowledge, value and a maturity model, do you think this relationship can influence (positively or negatively)
- The underlying proposition is that decisions across all levels of a portfolio-enterprise organisation drive 'actions'. Examples of such actions could mean that the portfolio-enterprise designed to maximise value by improving productivity and reduce costs through process improvements and investing in technology to improve how firms do things. Businesses also make decisions that empower the customers to interact with the firm through different channels (apps and interactive websites). They make hiring decisions to employ personnel on projects that are only familiar with products, projects processes, and planning so that projects deliver quicker and achieve high quality standards.

- Project and organisational processes are a mechanism to achieve consistency, conformity and efficiency that generate more (productivity, outputs) with less (human capital, financial resources) and drive financial value within the temporary organisation?

The promotion of value

Is value promoted across the entire portfolio-enterprise? That is, does everyone (or most) espouse the idea of value, in terms of partnerships, the products/service that you are trying to create?

## **II) Interview Case-study Protocol: Governance Protocol**

Interviewee: 2 Change Manager

The idea of value can or could be realised by enhancing governance structures that will drive efficiencies at portfolio-enterprise levels. Therefore, the litmus test would be to identify if a relationship exists between value and improving efficiencies by fortifying or empanelling governance structures across the portfolio-enterprise. Testing this relationship may determine if value (strategically defined or unintended) is influenced or not by governance.

Portfolio Governance

The right project selection makes the rest of the portfolio-enterprise more efficient. The premise that misaligned projects create inefficiencies within the wider portfolio-enterprise and therefore value diminishes on projects trying to deliver benefits (value). Misaligned projects consume scarce resources and an unhealthy bidding-war for attention that make roles and responsibilities unclear. Having governance

processes in place that exclude deliberately projects being mobilised, which are not strategic aligned to corporate goals, blueprints and visions.

#### Project Selection

- Does a process (scoring or prioritising) exist that ensures projects meet the firms' strategic objects i.e. the process rejects the irrelevant, removes redundant and retains projects that meet the strategic objectives set out in the blueprint?
  - Do you think this process protects or promotes the virtues of value?  
And if so can you give an example of how this process influences value (use/exchange/social/aesthetic)
- If an official process does not exist, can you describe the approach COMPANY A might use to prioritise projects?
  - In addition, do you think this process (informal or otherwise) influences or promotes the virtues of value? For example, what are the steps COMPANY A take to prioritise projects and when enacting this process, does such concepts of use (user use) and exchange (process engineering, reducing headcount) feature as part of this decision-making process?
    - If so, can you give an example of this and how this has influenced or affected the aspects of value that I have described?
- Are there examples where projects (or initiatives) have been excluded as part of this prioritisation process in favour of protecting existing or future value?

- For example, COMPANY A programme might reject project A or strategy B considering another project or a product/process that already exists or has been mobilised. The reason COMPANY A might reject this (through prioritisation process) because there are fears that the use or exchange value might be diminished because of the introduction of that strategy/project.
- Are you able to give an example or quantify / qualify this if this has ever happened?
- On the other hand, if it has not happened, how do you think COMPANY A might go about treating such a dilemma?
- This is like the earlier question, but we are talking about projects that have been abandoned mid-flight. Is there a process for treating projects or initiatives for abandoning projects because their use/exchange/social value may not be realised or diminish other existing projects/outcomes? Are you able to give examples or talk me through how COMPANY A may approach a potential scenario as the one I have described?
- How does project selection make and drive efficiencies in the portfolio-enterprise?

#### Roles and responsibilities

- What is the process to defining in roles and responsibilities both within the portfolio-enterprise - does a process exist? (Gap analysis, or to fulfil new/additional requirements?)

- Do the concepts of value (exchange/use) play an important part when defining and recruiting/fulfilling roles? If so, can you provide examples where this principle has been applied? For example, a new project management position is opened
  - Does a process or an approach exist for role definition that espouses the concepts around use/exchange/social partnerships? For example, a project manager might be required to lead a project that espouses the ideas and concepts of value or concepts are part of the deliverable and therefore require the role/responsibility deliver value in the form of (use, social or exchange value). This question is not confined to only a project manager, but functional leads, business managers?
- What is the relationship between roles and responsibilities and their influence over value?
  - Do you think they have an impact on value?
  - Do you think that role definition plays an important part in the concept of value; for example, a certain role might have an influence over how a particular product or project is defined and rolled out?
  - Or how a role within the project influences the outcome of a product, process? This influence could come in the form of how product is used, organising roles and responsibilities around how a products final aesthetic value might look; how a process may replace or reduce labour? If so, do you have examples of this?
- How does COMPANY A manage the separation between accountability and the owner of the asset class? And how does this influence value in its various



forms? For example, the business lead may also be accountable for the benefits or value; however, the business lead could be accused of introducing additional scope into the project/programme through the backdoor and therefore undermine the value proposition. Or the business lead could be accused of influencing the project manager, and therefore value is undermined or excluded without the appropriate level of scrutiny?

- Does COMPANY A endorse this principle or reject it?
- How is the managed or treated?
- Do you think allowing
- How does COMPANY A manage the relationship between interested parties and those accountable? Do you think if the relationship is not managed appropriately, do you think that the tenets of value may not be realised or are diminished? Have you got examples of where value has been affected negatively or positively as a result of managing this relationship?
- Does COMPANY A have appropriate governance structures that support the overall concept of value? (Change boards, programme boards and so on)? If so, can you talk about them and their relationship to value?
- How well linked is the strategy to other processes? For example, is the strategy linked or is there a relationship to governance processes/frameworks (such as prioritisation models)? Can you please give examples of this and the influence this has had on creating value?

The promotion of value

- Is value promoted across the entire portfolio-enterprise? That is, does everyone (or most) espouse the idea of value, in terms of partnerships, the products/service that you are trying to create? Are you able to provide examples of this through your role as a change manager?
- Do you think all mobilised projects currently running have been selected to have a social element, or a use element, or an exchange element? If so, can you elaborate on that ?

Rival Explanations:

### **III) Interview Case-study Protocol: Company Strategy**

Interviewee: 3. HR Solution Architect

The purpose of this protocol would be to identify if a relationship between the strategy, blueprint or vision exists with the intention of creating value (i.e. benefits) through exchange, use or social dimensions. Such value could be, but might not be limited to, reducing labour costs by redefining existing processes, removing redundant ones and retiring duplicate processes that are more efficient, require less labour 'socially necessary labour time' (Heinrich, 2012, p. 43) or creating new products. Redefining processes could reduce labour costs (exchange and labour value) and promote greater importance on select relationships within the business (social value). An alternative view might be to place greater emphasis on inducing employees to use processes (and by extension Oracle products) in order to carry out their day-to-day duties and to alleviate time-consuming tasks (utility value) in exchange for lower headcount. When we think about strategy, we aren't referring to resource-based strategy (Penrose, 1959) or transaction costs (Coase, 1937)

## Interview Introduction:

- Are you able to give me some background on COMPANY A's change strategy, what it means and why COMPANY A embarked on this strategy?
- How was the strategy devised and constructed?
- Was it constructed using concepts like Porter's (1985) five forces?

## Exchange value

- Is the strategic purpose aimed at making COMPANY A more competitive in the market? That is, do you think that this overall strategy could influence or maintain North Sea oil prices? If so what evidence or claim within the strategy or direction of the programme supports this?
- Do you think the strategy makes the oil industry more competitive than with other markets? What evidence do you have to suggest COMPANY A's strategy has influenced North Sea commodity prices or costs in any way?
  - Has labour or the reduction of labour costs influenced this, and if so, how? Through processes?

## Value in Use or Utility Value

- When we discuss products or services, there has to be a need to use or consume a product. Do such bi-products exist as a result of this strategy? (Processes, new services centre within COMPANY A?)
- Was there ever a greater sense of worth in regard to existing services or products (i.e. HR process, or HR systems)?
- Did such new or existing products or services satisfy a need?

- Do you think that such services or products (new or past) were proportionate to their perceived value? This could be greater or lesser. Examples?
- When we discuss utility and value, we can also compare a similar situation to air and water, which are in abundance, but don't provide value that other commodities such as coal can provide (it provides heating, it can generate electricity). Can you think of such a concept that has come about because of COMPANY A's change strategy? (might be difficult to answer)
- Do you think a relationship exists between the products/services you have created and their surplus requirements (please provide an example).
- Do you think that the more a product or service you have is used, the less likely that the product will be used? That is, the more the product was used, the less people enjoyed using it? Did this happen with applications or services used in the past and therefore, does it produce a requirement to redefine or devise new products?

#### Aesthetic Value (may or may not be used in interview)

- When we talk about aesthetic value, we are referring to notion of objects (processes and interfaces) and their beauty or ugliness and the connection to their use-value
- Was the strategy aimed at promoting greater use of products due to their look and feel, i.e. was there an aesthetic proposition – and how did the business processes achieve an aesthetic appeal?

- What were the strategic aesthetic requirements (i.e. processes, interfaces) and how do you define the relationship between these requirements and the needs of the users? What evidence do you have to support this?

Strategy:

- How do you inform the rest of the organisation about the overall strategy?
- How well linked is the strategy to other processes, for example, is the strategy linked or is there a relationship to governance processes/frameworks (such as prioritisation models)? Can you please give examples of this and the influence this has had on creating value?

The promotion of value

Is value promoted across the entire portfolio-enterprise? That is, does everyone (or most) espouse the idea of value, in terms of partnerships, the products/service that you are trying to create?