Strategic Alignment of Flexible Work

Conceptual Analysis of the Alignment between Flexible Working Arrangements and Business and IT Strategy in Organizations

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Abstract

Much research on Flexible Working Arrangements (FWAs) has been conducted at the operational level through their effects on a variety of performance measures, but the alignment of FWAs with business and IT strategy is largely unexplored. The research question that this thesis addresses is "How can the alignment between an FWA and business and IT strategy be conceptually analyzed?" This research takes an empirical approach by use of a single-case interpretive case study of Microsoft's New World of Work (NWOW) initiative in Sweden, and performs a literature study and interviews to collect qualitative data, which is in turn thematically analyzed. The NWOW initiative is found to be aligned in terms of strategic fit, and a combinatory model is proposed to guide the conceptual analysis of how FWAs are aligned with business and IT strategy. A set of guidelines is presented to aid in the conceptual analysis of the alignment between FWAs and business and IT strategy. The guidelines consist of five steps: 1) describe business and IT strategy, 2) describe FWA's capital, components, and goals, 3) analyze FWA's goals' alignment with strategy, 4) combine strategic themes into strategic map, and 5) analyze FWA's strategic alignment. Practically, the conclusions of this thesis guide the alignment of FWAs with business and IT strategy in organizations. Theoretically, the research explores the previously inexplicit connection between FWAs and strategic alignment, and proposes a combinatory framework which enables a more practical approach to strategic alignment, an area of research that has long been criticized for being too theoretic.

Keywords

Strategic alignment, Balanced Scorecard, Strategy Map, Strategic Alignment Model, flexible working arrangements, New World of Work, Microsoft.

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List of Abbreviations

A&O	Advertising & Online
APAC	Asia-Pacific
BSC	Balanced Scorecard
CA	Canada
CAM-S	Corporate Account Managed – Smaller
CAME-E	Corporate Account Managed – Enterprise
CCG	Consumer Channel Group
CEE	Central Eastern Europe
CSCW	Computer-Supported Cooperative Work
CTM	Corporate Territory Managed
DNA	‘Det Nya Arbetslivet’
DP&E	Developer Platform & Evangelism
E&PG	Enterprise & Partner Group
FR	France
FWA	Flexible Working Arrangements
GCR	Greater China Region
GE	Germany
IEB	Interactive Entertainment Business

IND	India
IT	Information Technology
JA	Japan
LATAM	Latin & South America
M&O	Marketing & Operations
MBS	Microsoft Business Solutions
MCS	Microsoft Consulting Services
MEA	Middle East and Africa
MOD	Microsoft Office Division
NWOW	New World of Work
OS	Online Services
P	Premier
PS	Public Sector
R&D	Research & Development
S	Skype
S&M	Sales & Marketing
S&T	Server & Tools
SAM	Strategic Alignment Model
Se	Services
SM	Strategic Map
SMB	Small and Medium Businesses
SMS&G	Sales, Marketing & Services Group
SMS&P	Small, Medium Solutions & Partner
ST	Strategic Theme
UK	United Kingdom
US	United States
US	United States
USD	US Dollars
WE	Western Europe
WD	Windows Division
WPD	Windows Phone Division

1 Introduction

In this introductory chapter, a brief background of the research area will be provided. This in turn leads to the elaboration of the research problem, which in turn is addressed through a research question and set of sub-questions, and research objectives are introduced. The research belongs to the area of strategic IT management.

1.1 Background

The word ***strategy***, originating from the Greek word 'strategos' meaning the 'art of the general', was popularized by the Chinese military strategist Sun Tzu – and therefore dates back to 500 BC. But these military principles weren't applied to the business context until the 1950s and 60s, when it became known as ***strategic management***. (Peng, 2009) Today, strategic management commonly refers to the strategic decision making within an organization.

Within the strategic management research area***, strategic alignment*** focuses on the congruence between business and IT strategy and its influence on business performance. Alignment has been an important issue facing organizations since the 1980s (Benbya & McKelvey, 2006), and since 2004 it has been listed among the top five issues of IT executives (Luftman & McLean, 2004; Luftman, 2005; Luftman et al., 2006; Luftman & Kempaiah, 2008; Luftman et al., 2009; Luftman & Ben-Zvi, 2010a; Luftman & Ben-Zvi, 2010b; Luftman & Ben-Zvi, 2011; Luftman & Derksen, 2012). Despite it having been shown that companies which align their IT effectively with the rest of their business perform better than those who don't (Chan & Reich, 2007a), only 15% of IT executives declare to have achieved such alignment (Orlov, 2007). Traditionally, IT investments have been justified through business cases focusing strictly on financial returns of applications. However, as the strategic importance of IT has increased, organizations have begun to balance the short-term profitability with long-term growth and survival, to develop organization-wide IT capabilities that support the overarching business model. (Ross & Beath, 2001) Today, it is understood that "IT payoffs are the responsibility of the entire organization, not just the IT department" (Kohli & Devaraj, 2004, p.67), and that "the inability to realize value from I/T investments is, in part, due to the lack of *alignment* between the business and I/T strategies of organizations" (Henderson & Venkatraman, 1989, p.472). The business value resulting from IT investments should therefore not be judged in isolation, but in the context of their alignment with business practices.

A management concept that has begun to consider IT investments in their business context more holistically are ***flexible working arrangements*** (FWAs) – a collective term for when employees are given some discretion to vary their place, timing and amount of work. As IT advancements increase our mobility, new opportunities for its usage in organizational work arise. Therefore, the maturation of IT infrastructure (hardware, software, networking and data) create new opportunities for FWAs as well. Originally, FWAs were provided as family-friendly benefits for e.g. parents of young or disabled children, and would typically have offered the ability to work part-time from home. Nowadays however, FWAs make greater use of IT, enabling anyone to perform work from anywhere at any time. FWAs are no longer aimed toward specific employees with special needs, but are advocated generally throughout many organizations – suggesting the existence of an actual business case behind them. (de Menezes & Kelliher, 2011, p.452) In other words, FWAs are argued to result in convincing payoffs.

1.2 Research Problem

Advocates of FWAs claim that they result in a variety of positive outcomes, both work- and employee-related. Some often cited examples of positive outcomes related to generic FWAs are increased organizational performance (Dex & Scheibl, 1999; Dex & Smith, 2002; Glass & Finley, 2002), attitudes, job satisfaction (Allen, 2001; Forsyth & Polzer-Debruyne, 2007), commitment (Grover & Crocker, 1995; Thompson et al., 1999; Forsyth & Polzer-Debruyne, 2007; Maxwell et al., 2007), motivation, retention, productivity or individual performance (McCampbell, 1996; Kossek & Ozeki, 1999; Glass & Finley, 2002; Stavrou, 2005), fulfilment, enthusiasm, work-family life or health (Brough et al., 2005; Halpern, 2005; Costa et al., 2006) empowerment, autonomy; and decreased absenteeism (Kossek & Ozeki, 1999; Stavrou, 2005; Maxwell et al., 2007), stress, anxiety, and labor turnover (Seylor et al., 1993; Hannah, 1994; Grover & Crocker, 1995; Glass & Riley, 1998; Stavrou, 2005). Yet when reviewing the research conducted, the accumulated evidence is inconclusive (Glass & Finley, 2002; de Menezes & Kelliher, 2011), and "we lack clear evidence in support of a universal business case for flexible working" (de Menezes & Kelliher, 2011, p.463). For a proper business case for FWAs to be made, this would require that the FWA's resources were shown to be consumed in support of strategy. This is because,

> "In a utopian organization, all activities, projects, processes, research, and operations support organizational objectives. Any activity that does not support organizational objectives is a waste of your resources and time. Any activities that move the organization away from its strategic path are worse" (Lundström & Rosander, 2012, p.55).

Therefore, to construct a business case for an FWA, one must show how it aligns with business strategy. For alignment between business and IT strategy to sustain, one must also consider how the FWA aligns with IT strategy – an area which scientific research seems to have largely overlooked. The research problem of this thesis is that it is still unclear how the alignment between FWAs and business and IT strategy is to be conceptually analyzed.

1.3 Research Question

The main research question of this thesis is:

- How can the alignment between an FWA and business and IT strategy be conceptually analyzed?

To answer the main research question, the following sub-questions have been formulated:

1. What are the components of an FWA initiative?
2. What are the goals of these components?
3. How do these goals align with business and IT strategy?

By decomposing the FWA into its inherent components, determining the goals of these components, and how these goals in turn contribute to the overarching business and IT strategy – one can determine how the individual components align with business and IT strategy. By recomposing the individual components into the FWAs original form, one can then determine how the complete FWA is aligned with business and IT strategy. The findings from the investigation of this specific case, can then be used (to the extent that generalization is possible) to answer the main research question of how the alignment between FWAs and business and IT strategy can be conceptually analyzed.

1.3.1 Research Objectives

This research aims to investigate how the alignment between FWAs and business and IT strategy can be conceptually analyzed. This is examined through the creation of Balanced Scorecards and an accompanying Strategy Map of a specific FWA initiative in a company. The investigation is based on the collection of empirical data through an interpretive case study, which is in turn analyzed by inductive reasoning. The conceptual analysis of FWA's alignment with business and IT strategy is framed by the Strategic Alignment Model. The process used in this research, can in turn form the basis of guidelines for how the alignment between FWAs and business and IT strategy can be conceptually analyzed.

2 Extended Background

In this chapter, the research background is elaborated upon. The influences of flexible working arrangements are discussed, the research on strategic alignment is recapitulated, and a discussion on how strategic alignment relates to flexible working arrangements is provided. This leads to the formulation of a number of problems with previous research, and explanations of how these will be addressed. Finally, the theoretical frameworks used in this thesis are detailed.

2.1 Flexible Working Arrangements

Flexible working arrangements (FWAs) refer to "any one of a spectrum of work structures that alters the time and/or place that work gets done on a regular basis" (Georgetown University Law Center, 2006, p.1) and include flexibility in the: scheduling of hours worked, amount of hours worked, and place of work. Literature on FWAs goes back to the 1970s, but intensified during the 1990s. The literature on FWAs can be divided into five general areas focusing on the relationship between FWAs and: 1) some particular organizational performance measure, 2) employee performance, 3) attitude, 4) health and well-being, and 5) performance (directly or indirectly linked) or contingent factors thereof. (de Menezes & Kelliher, 2011, p.455) From this classification of previous literature, one can conclude that little attention has been attributed the connection between FWAs and alignment with business and IT strategy. Furthermore, the benefits of different FWAs target employee or employer to varying extents (Scheibl & Dex, 1998). If properly tailored however, FWAs "can [both] improve employee quality of life and strengthen organizational competitiveness" (Stavrou, 2005, p.926). Apart from considering employee and employer benefits separately, it is also argued that improving employee attitudes and behaviors toward work can in turn reflect positively on firm performance. However, "not all FWAs are suitable for every organization because they have to be in line with the organization's strategy, objectives and structure" (Stavrou, 2005, p.926). To ensure that the sought benefits are applicable and appropriate for a specific organization, it is therefore important to understand how the alignment between FWAs and business and IT strategy can be conceptually analyzed.

2.1.1 Knowledge work

"Knowledge workers have high degrees of expertise, education, or experience, and the primary purpose of their jobs involves the creation, distribution, or application of knowledge. Knowledge workers think for a living" (Davenport, 2005, p.10). Knowledge work is the category of employment that grows the fastest in developed countries today. The increasing amount of knowledge work was noticed already by Peter Drucker (1959), starting on the operational level as companies automated many jobs on the production floor. The trend has since then expanded to involve office-work, as much transaction-based work can be automated as well. One group of workers were left largely untouched – those that required far-reaching human interaction. Today however, "global competition, emerging skill shortages, and changing demographics force companies to use their most highly paid talent more effectively" (Lund et al., 2012, p.104). To remedy these impending problems, FWAs are often proclaimed as effective instruments of talent retention (Grobler & de Bruyn, 2010). FWAs also aim at reducing employee turnover, as retraining employees is both time consuming and costly (Cheese, 2008). It has been shown that "firms relying on a relatively large percentage of professionals appear to benefit from the provision of work-life benefits. On the other hand, for firms hiring less skilled, less autonomous, and less highly

paid workers, the productivity benefits of work-life initiatives may be negligible" (Konrad & Mangel, 2000, p.1235).

2.1.2 Work-Life Programs

"Work-life programs are initiatives adopted by organizations to help employees manage the interface between their paid work and other important life activities, including family" (Konrad & Mangel, 2000, p.1225). These programs, also known as family-friendly or family-work practices, are businesses' response to the increasingly relevant work-leisure dichotomy introduced in the mid-1800s. Intensifying this dilemma is the "increasingly sophisticated and affordable technologies [that] have made it more feasible for employees to keep contact with work" (Boswell & Olson-Buchanan, 2007, p.592). The logic behind such programs, known as the high performance or high commitment work systems, argues that "establishments that pursue so-called high-commitment work systems – measured by the overall employment goals espoused by the establishment, the amount of discretion provided to employees, and the adoption of specific work practices – are more likely to adopt work/family programs" (Osterman, 1995, p.696). By adopting such programs, employers aim to foster a higher loyalty from employees, and thereby protect their investments in human resources. It is important to understand that "work-life initiatives can also be expensive investments, and thus companies are most likely to realize gains in situations where potential benefits outweigh expected costs" (Konrad & Mangel, 2000, p.1226). Although these arrangements undoubtedly provide employees with work-life benefits, the link between work-life benefits and individual performance is not well established. Extending this logic to the organization as a whole, "A review of the literature, however, questions this purported link between work-life balance practices and organizational effectiveness" (Beauregard & Henry, 2009, p.10).

2.1.3 Telework

A sub-category that has come to develop from the involvement of IT in FWAs is termed *telework*. Telework is defined as "the substitution of communication technology for work-related travel, and can include paid work from home, a satellite office, a telework centre or any other work station outside of the main office for at least one day per work week" (Martin & MacDonnell, 2012, p.603). A closely related concept is *mobile work*, which extends telework in that work can be performed from anywhere. Mobile workers are "outfitted with the technology necessary for access to coworkers, company computers, intranets, and other information sources" (Pearlson & Saunders, p.115). As defined above, FWAs allow employees discretion in terms of place, time, and amount of work – whereas telework and mobile work specifically targets the place. In a meta-analysis of empirical research on perceptions of telework and organizational outcomes, "a small but positive relationship between telework and organizational outcomes" (Martin & MacDonnell, 2012, p.602) is argued. The same study concludes however that "Despite individual and societal research showing positive benefits of telework, it has not been embraced by organizational decisionmakers as an effective, mainstream alternative to current work arrangements" (Martin & MacDonnell, 2012, p.612).

2.1.4 Computer-Supported Cooperative Work

Another related subject is that of computer-supported cooperative work (CSCW), which "combines the understanding of the way people work in groups with the enabling technologies of computer networking, and associated hardware, software, services and techniques" (Wilson, 1991, p.6). The field has been divided into CSCW and so called *groupware*, which is restricted to the actual information systems used, and aims to "support groups by providing functions for communication, coordination and cooperation" (Sauter et al., 1995, p.120). In other words, CSCW is the wider term, incorporating aspects such as social

and organizational effects as well. To relate CSCW back to FWAs, one could argue that CSCW is what makes FWAs possible in today's IT-intensive organizational landscape. CSCW enables team members of asynchronously working teams to perform work at any time. Similarly, they enable employees with rare expertise to participate in many projects from anywhere. The interfaces of CSCW have however been known to create some restrictions on how work is performed. It is argued that

> "Computer-mediated systems enable CSCW group members to communicate more easily, more quickly, and possibly more effectively. To the extent that such advantages lead to better, faster, and more timely decisions, CSCW systems can therefore improve task performance" (Raisinghani et al., 1998, p.3). This could arguably be transposed to organizational performance, but researchers have yet to make this connection.

2.2 Strategic Alignment

The niche referred to as *strategic alignment* within the strategic management research area, has been attributed many definitions and synonyms. As it is not within the scope of this thesis to decide which of them is the most appropriate, nor of interest to list all of the proposed, this researcher will follow the conclusion of Fadeel R. Shamekh's work. In his Master's thesis, titled *Business-IT Strategic Alignment Concept in Theory and Practice*, the author bases a unified definition on "An extensive literature review of about 300 journal articles and conference papers, and about 25 reference books" (Shamekh, 2008, p.13). The conclusion of this research states that the concept of strategic alignment "refers to the state of congruence between business strategy and IT strategy in the firm to support the overall business purpose that influences the firm's business performance" (Shamekh, 2008, p.59).

Applying Peter Drucker's (1954) management by objectives theory – that all organizational resources should be focused towards organizational goals and objectives – to that of strategic alignment, infers that both business and IT strategy must utilize their resources toward the achievement of these. Today it is commonly understood that "Alignment leads to more focused and strategic use of IT which, in turn, leads to increased performance" (Chan & Reich, 2007a). Inversely, if these two strategies are misaligned, resources will be wasted in relation to the organization's objectives, and performance will suffer accordingly. In line with Philip Selznick's (1957) connections between internal and external business domains, Henderson and Venkatraman (1993) argue that business and IT strategy must be aligned both internally and externally. "Externally, organizations must align their business and IT strategies with industry and technology forces while internally organizations must align organizational and IT processes and infrastructure" (Chan & Reich, 2007a, p.302). Building on Alfred Chandler (1962) and subsequently Igor Ansoff's (1965) conceptualization of strategy being a set of gap-reducing actions, this means that both business and IT strategy must focus their efforts towards long-term investments that will bring them closer to a common desired future state. Finally, to relate to Henry Mintzberg's (1978) distinction between planned and realized strategy, "efforts to relate strategic alignment to IT payoffs should extend beyond an examination of the content of written plans to include measures of actual or realized IS and business strategy" (Tallon & Kraemer, 2003, pp.3-5). In other words, alignment should exist at both the strategic and operational levels.

Strategic alignment is a bi-directional relationship (Tallon & Kraemer, 2003) in which IT strategy enables and/or supports the business strategy, and the business strategy utilizes the IT strategy. Thereby, "perfect strategic alignment will exist when the IT strategy fully supports the business strategy and when the business strategy, in turn, has fully capitalized on the capabilities offered by the IT resources" (Tallon & Kraemer, 2003, pp.6-7). By inverse, this implies that misalignment can be bi-directional as well: either IT strategy can fail to support business strategy, or business strategy can fail to capitalize on IT

capabilities. In their book *Winning the 3-legged Race*, Hogue et al. (2005) introduce two higher states in the alignment relationship termed synchronization and convergence. At the *synchronization* level, "technology not only enables execution of current business strategy but also anticipates and helps shape future business models and strategy" (p.7). IT hereby acquires capabilities that are envisioned for the future, so as to already have them in place when they become needed. At the *convergence* state,

> "Essentially, the business and technology spaces have merged in both strategic and tactical senses. A single leadership team operates across both spaces with individual leaders directly involved with orchestrating actions in either space. Some activities may remain pure business and some pure technology, but most activities intertwine business and technology such that the two become indistinguishable" (Houge et al., 2005, p.7).

2.2.1 Strategic Alignment and Flexible Working Arrangements

Whatever influence FWAs have on business performance, "In its New World of Work for Business Decision Makers survey of business leaders across Europe, Microsoft found 90% of UK businesses now allow flexible working" (Flinders, 2012, para.4). Despite this almost unanimous acceptance of FWAs,

> "Microsoft's European flexible working survey revealed that [...] only 34% of UK businesses provide basic technologies such as laptops and remote connection to the company network to enable more flexible work styles [and that] Only 44% of business decision-makers have invested in collaborative technology" (Flinders, 2012, para.10).

The report concludes that "Businesses must allow their IT departments to deploy the services which make flexible working a reality rather than a hyped-up concept" (Flinders, 2012, para.11). Similarly, a study conducted by Vanson Bourne polling business leaders of fifteen Western European countries shows that although 82% of businesses allow FWAs, "only 17 per cent of businesses provide a combination of basic technologies to enable more flexible work styles, such as a laptop, a smartphone and a remote connection to the company network" (Microsoft EMEA, 2012, para.3), and only "19% of employees find their already over-stretched IT team 'very helpful' in providing technology support for flexible working" (Vanson Bourne, 2011, p.7). In other words, to realize the business value of contemporary FWAs, companies must make sure that the FWAs are aligned with both business and IT strategy. If more value can be extracted from such strategic alignment, this will in turn aid in the construction of a justifiable business case for FWAs.

2.3 Problems with Previous Research

Researchers have attempted to use a plethora of theories to explain the relationship between FWAs and business performance. The Work Adjustment Model (Dawis et al., 1968), the Job Characteristics Model (Hackman & Oldham, 1975), the Job Demands-Control Model (Karasek, 1979), Social Exchange Theory (Blau, 1964), the Gift Exchange Model (Akerlof, 1982) – are examples of some of these. Common to most of these approaches however, are at least four problems:

1. Even though there is a plethora of studies considering individual practices' effects on performance, "no attempt has been made so far to investigate these FWAs in bundles" (Stavrou, 2005, p.924). This claim is again seconded a few years later, as "there is a body of knowledge about individual practices and performance, but [...] there were few attempts to investigate synergies from particular bundles of FWAs" (de Menezes & Kelliher, 2011, p.463).
2. As most studies have focused on FWAs and individual measures of effectiveness, this has meant that "the relationship between a comprehensive array of FWAs grouped in bundles and

organizational competitiveness also remains largely unexplored" (Stavrou, 2005, p.924). Criticizing the simplistic models of previous research, it is argued that future research "needs to test more complex models of this relationship" (Beauregard & Henry, 2009, p.18). Although much research has studied links between FWAs and individual measures, "the complete chain towards [organizational] performance has received little attention" (de Menezes & Kelliher, 2011, p.465).

3. Furthermore, "There is need for further theory development; detailed case studies of organizations would help not only in building theory, but could also examine the actual benefits and costs involved with different FWAs" (de Menezes & Kelliher, 2011, p.466). When considering the complex interrelationships within work-life balance practices, it is concluded that "further studies are needed to consolidate these findings and to enhance the generalisability of the results to other organisations with office-based employees utilising flexible work arrangements" (Hayman, 2009, p.336).
4. When reviewing the literature within the research area, it also became clear that the alignment between FWAs and business and IT strategy is rarely examined. Searches that combined any of FWAs (or its sub-categories) with strategic alignment (or its synonyms) – did not yield any results. Therefore, it is assumed that this connection is yet to be made within research.

This research will address these problems as follows:

1. When using Strategy Maps, multiple aspects of FWAs can be broken down into Strategic Themes. These can be considered separately when a clear and undisturbed focus is required, or together when synergies and interrelationships are of interest. By such an approach, FWAs can be considered as individually, or in bundles.
2. When using Balanced Scorecards and Strategy Maps, the complete chain – from human, information and organizational capital, through internal business processes and customer value propositions, to financial objectives – can be examined from a strategic perspective. As strategies are executed, this will in turn determine the organizational performance on the operational level.
3. By using case study as a research strategy, the research will add itself as another such instance within the research field. This will in turn increase the possibilities of generalizing results.
4. The thesis in its entirety explores the inexplicit connection between FWAs and strategic alignment. It conceptualizes strategic alignment through the Strategic Alignment Model, so as to lay the foundation for future research within this inter-disciplinary niche.

In the following, the theoretical models adopted for this research are presented. The Balanced Scorecard provides a multi-perspective tool for strategic management. The extension of Strategy Maps provides an intuitive illustration of the causal relations between strategic objectives, and enables a divide and conquer approach through Strategic Themes. The Strategic Alignment Model is used to conceptualize strategic alignment, as it is to date the most cited theoretical model.

2.4 Theoretical Models

2.4.1 Balanced Scorecards

Initially designed as a performance measurement tool, the Balanced Scorecard (BSC) is now widely accepted as "a framework for describing strategies for creating value" (Kaplan & Norton, 2004, p.7).

In its original form (Figure 1), the scorecard consisted of a table divided into four sections, each containing measures relating to a business perspective. Typically, these perspectives are: 1) financial, 2) customer, 3) internal business (processes), and 4) learning and growth. The framework helps managers answer four basic questions:

1. How do we look to shareholders?
2. How do customers see us?
3. What must we excel at?
4. Can we continue to improve and create value? (Kaplan & Norton, 1992, p.72)

To achieve strategic alignment by using BSCs, one usually speaks of *cascading*.

"Cascading translates high-level strategy into lower-level objectives, measures, and operational details. [...] As the scorecard management system is cascaded down through the organization, objectives become more operational and tactical, as do the performance measures" (Balanced Scorecard Institute, 2013, step.8). In practice, this means that the corporate BSC is broken down into multiple BSCs for separate divisions, units or functions within the organization. These are in turn broken down into BSCs specific for groups of, and/or individual employees within these. This ensures that the strategy constructed at the corporate level is aligned with the rest of the organization, and that operations support overarching organizational goals. This method of alignment is in line with Tallon and Kraemer's (2003) reasoning of how alignment needs to surpass the strategic level into tactics and operations of the organization.

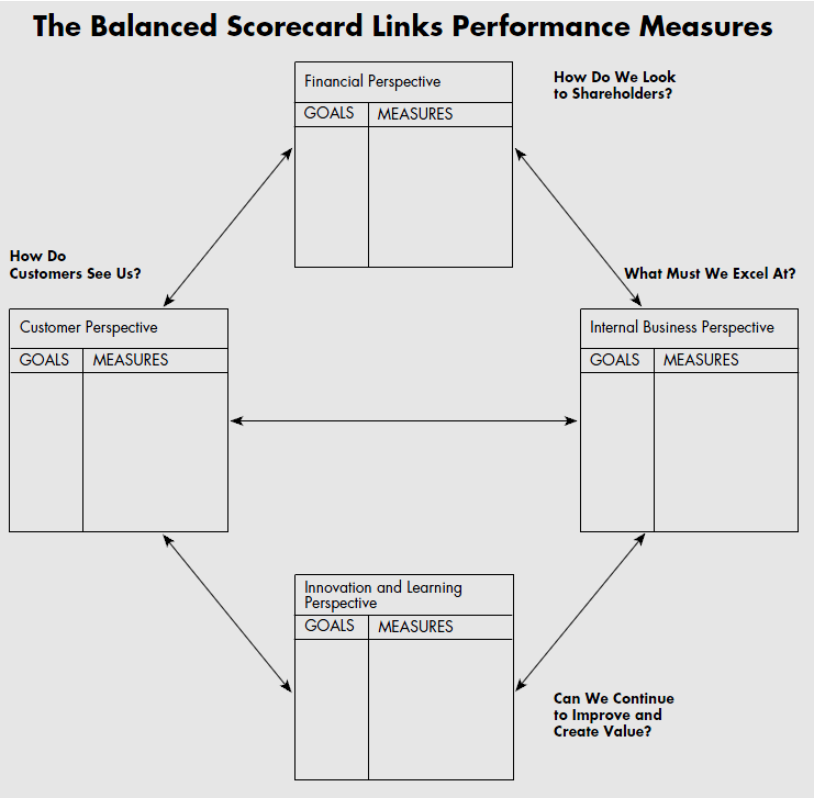

Figure 1 - The Balanced Scorecard (Illustration from Kaplan & Norton, 1992, p.72).

Early proponents of using the BSC within the IT management context focused on creating a dedicated IT BSC. It has however been argued that creating a separate BSC for IT is counterproductive to alignment, as this could further isolate IT from the rest of the business, and does not guarantee connection with business strategy. Other studies have focused on how IT can be integrated in corporate BSCs. (Hu & Huang, 2006) The usage of BSCs has since then grown into a full-fledged management system aimed at successful strategy execution (Kaplan & Norton, 2008) and is to-date listed among the top ten most used management tools (Rigby & Bilodeau, 2011). As such, it has "been successfully implemented by thousands of for-profit, nonprofit and public sector enterprises" (Kaplan, 2012, p.542). Furthermore, it has also been applied as an "approach to managing IT projects or IT departments" (Hu & Huang, 2006, p.12), proving its usefulness in a wide scope of applications.

2.4.2 Strategy Maps

Strategy Maps (SMs) extend BSCs in that performance indicators can be viewed "as a series of cause-and-effect linkages among objectives in the four Balanced Scorecard perspectives" (Kaplan & Norton, 2004, p.9). Regardless of the approach to strategy formulation, a SM can provide "a uniform and consistent way of describing that strategy, so that objectives and measures can be established and managed" (Kaplan & Norton, 2004, p.10). The SM can also be seen as a normative checklist that may help in validating the strategy itself – in fact the authors argue that "If a strategy is missing an element on the strategy map template, the strategy is likely flawed [...] and will generally lead to disappointing outcomes" (Kaplan & Norton, 2004, p.10).

The SM (Figure 2) illustrates the cause-and-effect relationships between the four perspectives of the BSC. Monetary outcomes (Financial perspective) are achieved through a customer value proposition (Customer perspective), which "describes how to generate sales and loyalty from targeted customers" (Kaplan & Norton, 2004, p.32). This is in turn created and delivered by the organization's business processes (Internal perspective), which are composed of intangible assets in the form of human, information and organization capital (Learning and Growth perspective). "Aligning objectives in these four perspectives is the key to value creation and, hence, to focused and internally consistent strategy" (Kaplan & Norton, 2004, p.32)

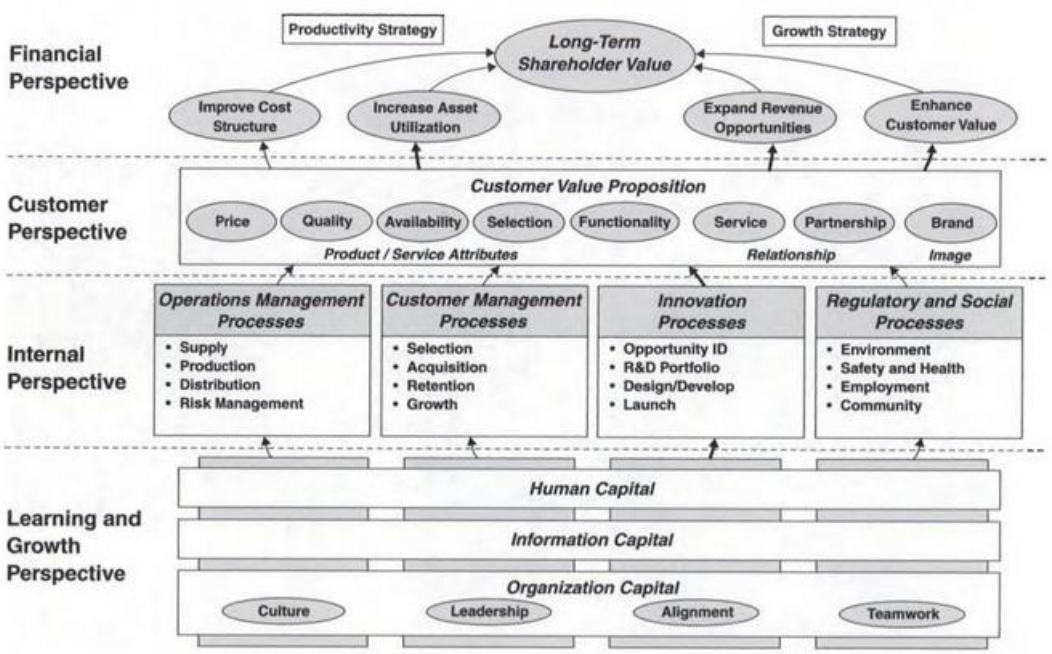

Figure 2 - Generic Strategy Map (Illustration from Kaplan & Norton, 2004, p.11).

2.4.2.1 Strategic Themes

Strategic Themes (STs) are the main components of the business' vision. "They apply to every part of the organization and define what major strategic thrusts the organization will pursue to achieve its vision" (Perry, 2011, p.1). Basically, they are bundles of related objectives that allow SMs to be divided into manageable parts. This simplifies the upholding of structural integrity within the SM, as a divide-and-conquer approach can be pursued. Also, it allows for more people to get involved in the creation of the SM, which contributes to buy-in, understanding, and accountability. (Perry, 2011, p.4)

2.4.3 Strategic Alignment Model

Henderson and Venkatraman (1989) were inspired by the MIT90s framework (Morton, 1991) when they created the *Strategic Alignment Model* (SAM), which is today "perhaps the most cited of all alignment models" (Chan & Reich, 2007a, p.303).

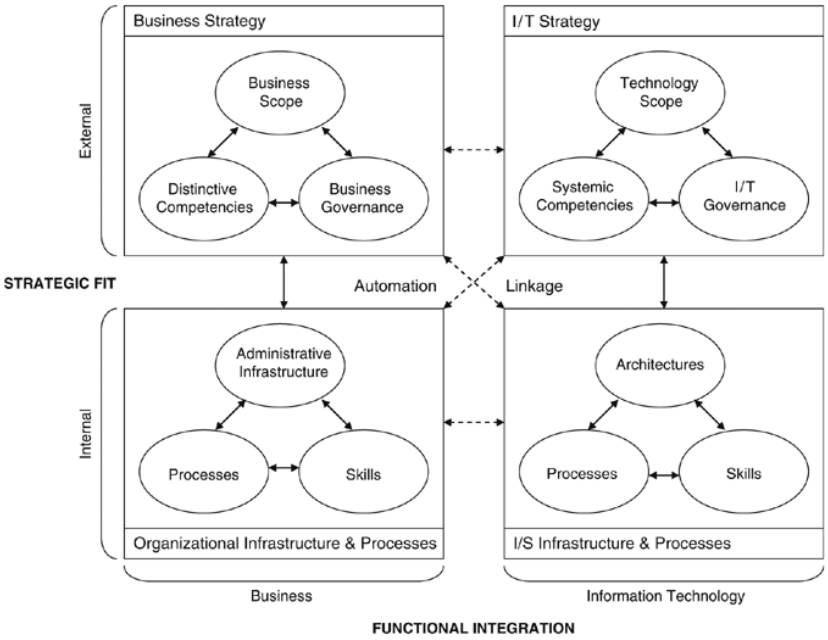

Figure 3 - The Strategic Alignment Model (Illustration from Henderson & Venkatraman, 1993, p.476).

The model (Figure 3) illustrates four domains, two of which are external to the business and two that are internal. The two external domains concern how business and IT positions itself in the market environment, and the two internal domains deal with how infrastructure/architecture, processes, and skills are used to realize the business and IT strategy within the organization. The authors refer to the connection between the internal and external domains as the *strategic fit*, and the connection between the business and IT domains as *functional integration*.

The authors also present four perspectives on how the alignment can be conceptualized – two of which are driven by the business strategy, and two which are enabled by the IT strategy. The first business driven perspective is called *strategy execution* and starts from the assumption that "business strategy has been articulated and is the driver of both organizational design choices and the design of I/S infrastructure" (Henderson & Venkatraman, 1993, p.477). The second business driven perspective is coined *technology transformation* and is about "implementing the chosen business strategy through appropriate I/T strategy and the articulation of the required I/S infrastructure and processes [... but] is not constrained by the current organization design" (Ibid., pp.477-478).The first of the IT-enabled perspectives is termed *competitive potential* and "is concerned with the exploitation of emerging I/T capabilities to impact new products and services (business scope), influence the key attributes of strategy

(distinctive competencies), and develop new forms of relationships (business governance)" (Ibid., pp.478-479). Finally, the second IT-enabled perspective is named *service level*, as it "focuses on how to build a world-class I/S service organization [... and] the role of business strategy is indirect and is viewed as providing the direction to stimulate customer demand" (Ibid., pp.479-480).

Since the creation of Henderson and Venkatraman's *Strategic Alignment Model* (SAM), researchers and practitioners agree that alignment between business and IT strategy is key in realizing the business value of IT investments (Kohli & Devaraj, 2004). Since the concept's introduction, at least nineteen theoretical models (El Mekawy et al., 2009) for illustrating the alignment have been proposed (for example Henderson & Venkatraman, 1993; Luftman, 2000; Reich & Benbasat, 2000; Maes et al., 2000; Sabherwal & Chan, 2001; Hu & Huang, 2006). As a result of the diversity in research interests, some authors have attempted to create unifying models (Vargas, 2008; Chevez, 2010) and definitions (Shamekh, 2008). However, it is generally agreed that "the original Henderson & Venkatraman model [...] is still the unchallenged model for business – IT alignment" (Maes et al., 2000, p.6). Therefore, the SAM will be used to conceptualize the alignment between FWAs and business and IT strategy in this thesis.

3 Methodology

This chapter covers the research methodology in detail, and distinguishes foremost between choice and application. In terms of choice, the research strategy, and data collection and analysis methods, are motivated. Then, the process of applying the chosen strategy/methods is described in rigorous detail. Finally, some points considered in terms of research ethics are highlighted, and the quality criteria that the research will be judged against are introduced.

3.1 Choice of Method

3.1.1 Research Strategy

A research *strategy* can be defined as "an overall approach to answering a research question" (Johannesson & Perjons, 2012, p.27). To address this thesis's research questions – How can the alignment between an FWA and business and IT strategy be conceptually analyzed? – a deep understanding of at least one FWA, its components, goals, and its alignment with business and IT strategy is required. Also, an understanding of the host company's business and IT strategy and their inherent goals is required. Obtaining such a rich understanding will likely involve the researcher collecting data from experts within a specific organization.

According to Denscombe (2010) there are seven different research strategies: surveys, case studies, experiments, ethnography, phenomenology, grounded theory, and action research. These can also be combined into what he calls *mixed methods*. *Surveys* are useful "when the researcher wants factual information relating to [large] groups of people [… and] works best with clear and narrow targets in terms of information it is trying to gather" (Denscombe, 2010, p.12). Surveys are deemed inappropriate as this thesis will not require collecting data from large amounts of informants, and may require an unstructured approach to facilitate richer understanding. *Experiments* are useful when attempting to "identify the cause of something [or] observe the influence of specific factors" (Denscombe, 2010, p.5). When a BSC/SM has been created, it would perhaps be of interest to test the effects of manipulating specific factors in it, but as of now it has been excluded as inappropriate. *Ethnography* is the description of peoples or cultures, and *phenomenology* deals with people's perceptions, meanings, attitudes, beliefs, feelings and emotions (Denscombe, 2010, p.94). As this thesis aims to approach the research problem from a top-down perspective, such bottom-up driven research strategies have been deemed inappropriate. *Grounded theory* is a rigorous strategy that focuses on creating theories based on empirical fieldwork. But because the approach relies on the iterative addition of new data and "uses the constant comparative method as a means of analyzing the data" (Denscombe, 2010, p.116) to achieve theoretical saturation, it is simply deemed to complex and time-consuming for the resource constraints of this research. This strategy has therefore been excluded on grounds of sustaining feasibility. However, *action research* is a practical approach where the researcher takes an active part and often sets out to create best practice guidelines or solve some practical problem (Denscombe, 2010, p.6). Because the research aims to create a framework for behavior that is yet to be formalized, it is unclear what the researcher is to participate in that would further the research. Therefore, this strategy has been deemed inapplicable.

In this study, the research strategy chosen is that of a case study. A case study "investigates in detail one specific case of the general phenomenon under investigation [... and the] purpose of a case study is

to paint a rich picture of a single object or situation as a basis for obtaining a deep and comprehensive understanding of some general phenomenon" (Johannesson & Perjons, 2012, p.28). Robert Yin argues that case studies are the preferred method "when 'how' or 'why' questions are being posed, when the investigator has little control over events, and when the focus is on a contemporary phenomenon within some real-life context" (Yin, 2003, p.1) – all of which fit very well against the research question and objectives of this study. The choice of research strategy is based upon the above presented arguments on appropriateness for purpose, but also on some practical reasons. The researcher has been given the opportunity to write this thesis at Microsoft Sweden as the result of an online request via the company website. The company has recently introduced an FWA initiative (NWOW) and have now entered the evaluation-phase of. For the above reasons, the stated research strategy was deemed the most appropriate for meeting both the institution's and company's wishes. This thesis uses Microsoft Sweden's main office in Akalla as a case study, and their NWOW initiative as an FWA, to answer the research question.

"A primary distinction in designing case studies is between *single*- or *multi*-case designs. This means the need for a decision, prior to any data collection, on whether a single case study or multiple cases are going to be used to address the research questions" (Yin, 2003, p.39). As mentioned above, the researcher was given the opportunity to study one office within Microsoft Sweden – making this a single-case study. Yin (2003) distinguishes between five rationales for performing single-case studies: critical case, extreme/unique case, representative/typical, relevatory case, and longitudinal case. The rationale that fits best to this research is that of a relevatory case. This is because the "investigator has an opportunity to observe and analyze a phenomenon previously inaccessible to scientific investigation" (Yin, 2003, p.42), and Microsoft's implementation of the NWOW initiative has just been completed, and the project has now moved into the evaluation phase. It must therefore be concluded that the NWOW initiative at the main office in Akalla has previously been inaccessible to scientific investigation.

Furthermore, Yin (2003) distinguishes between holistic and embedded case studies. Embedded case studies involve several units of analysis, whereas holistic case studies study the object of analysis in its entirety. This research will not be conducted on several components, but on one complete FWA. This can be advantageous "when the relevant theory underlying the case study is itself of a holistic nature" (Yin, 2003, p.45). Even though the FWA at Microsoft may be decomposed into components of analysis, they are of less meaning when considered separately. It is the holistic nature behind the FWA that creates the synergies that are of interest in this study.

Yin (2003) also distinguishes case study types by classifying them as either exploratory, descriptive or explanatory. Following this categorization, "exploratory case studies set to explore any phenomenon in the data which serves as a point of interest to the researcher" (Zainal, 2007, p.3), "descriptive case studies set to describe the natural phenomena which occur within the data in question", (Ibid.) and "explanatory case studies examine the data closely both at a surface and deep level in order to explain the phenomena in the data" (Ibid.). Other authors propose additional categories such as interpretive and evaluative case studies. In interpretive case studies, "the researcher aims to interpret the data by developing conceptual categories, supporting or challenging the assumptions made regarding them [while] In evaluative case studies, the researcher goes further by adding their judgment to the phenomena found in the data" (Ibid.). This case study will be classified as interpretive, as the final product of this research aims to be an interpretation and conceptualization of NWOW's alignment with business and IT strategy. In an interpretive case study, the role of the researcher is "accessing other people's interpretations, filtering them through their own conceptual apparatus, and feeding a version of events back to others, including in some cases both their interviewees and other audiences" (Walsham, 1995, p.77).

3.1.2 Data Collection

3.1.2.1 Relation to Research Question & Objectives

To answer the stated research question – How can the alignment between an FWA and business and IT strategy be conceptually analyzed? – the collection of qualitative data is deemed most appropriate. As this thesis aims to approach the research problem from a top-down perspective, data needs to be collected from a strategic level in the organization. The case study will focus on Microsoft Sweden's main office in Akalla, and their FWA initiative abbreviated as NWOW. To investigate how NWOW can be aligned and managed towards Microsoft Sweden's business and IT strategy, the three research sub-questions stated in the Introduction chapter have been adapted to this specific case study as follows:

1. What are the components of the NWOW initiative?
2. What are the goals of NWOW's components?
3. How do the goals of NWOW's components align with business and IT strategy?

The data related to the first and second sub-question are probably best obtained from NWOW's Internal Project Manager. She is bound to possess critical knowledge about the project and its details. It is also possible that she has considered how the project goals support business and IT strategy. The data related to the third sub-question are however perhaps better sought from executive managers, such as this thesis' external supervisor. This executive has a place on the Board of Directors of Microsoft Sweden, and should hold a rich understanding of the organization's business and IT strategy. Collecting data from both executives and middle management yields a mixed top-down and bottom-up approach by obtaining both strategic and project-specific knowledge.

3.1.2.2 Method Justification

According to Martyn Denscombe, there are "four main methods that social researchers can use: questionnaires, interviews, observation and documents" (Denscombe, 2010, p.153) and "researchers should base their decision on the criterion of 'usefulness'" (Denscombe, 2010, p.154). Firstly, questionnaires were excluded as they are best suited when collecting data from a large number of sources and questions can be clearly defined (Randolph, 2008, p.74). As argued above there is little use in collecting large amounts of quantitative data for answering the research question, which is indeed what questionnaires do best. An open-ended approach could yield more qualitative data, but would be hard to standardize, and it is impossible for the researcher to check the truthfulness of any answers given (Denscombe, 2010, p.170). Secondly, observation were also excluded as they are better suited when studying fieldwork in its natural setting (Denscombe, 2010, p.197). As it seems the company is currently unclear on how the NWOW initiative concretely relates to current business and IT strategy, it would be hard to observe a behavior that is yet to be formalized. Furthermore, this method requires a large amount of training on the part of the researcher (Randolph, 2008, p.80). Because this researcher has never attended such training, he should be considered unqualified for the use of this method.

Instead, interviews and documents have been chosen as the main data collection methods. Interviews are a flexible approach, ideal for collecting detail concerning a limited area (Randolph, 2008, p.78), and guarantees a high response-rate (Denscombe, 2010, p.192). This method is appropriate when gathering rich data about a specific subject, and when a smaller number of sources are to be considered, which is the case for all of the above stated general data areas. Documents in turn provide a cost-effective approach which simplifies access to data (Denscombe, 2010, p.232). Their formalized nature make them reliable sources of data if obtained from inside the organization, and therefore provides a connection

between NWOW's internal business case and the research now being conducted. However, the use of this approach relies on the availability of relevant material.

Denscombe (2010) lists three different types of interviews: one-to-one interviews, group interviews, and focus groups (pp.176-177). A *one-to-one interview* simply involves the interviewer meeting with the interviewee – the researcher and one informant. Its simplicity makes it easy to arrange and control, and answers are easily transcribed and traced. A problem related to this type of interview is however that it only captures one person's opinions. (Denscombe, 2010, p.176) A *group interview* is similar to a one-to-one interview, but involves several interviewees at once. This allows for a greater variety of opinions to be captured, leading to more nuanced answers to questions. The disadvantage that comes with this however, is that it becomes harder to arrange, control, and answers are harder to transcribe and trace. (Denscombe, 2010, p.176) To keep the interviews easily arranged, group interviews have therefore been excluded. Similarly *focus groups*, with their added constraints, are even more difficult to arrange – and have also been excluded.

The researcher has chosen to use one-to-one interviews for the data collection of this research. This choice was made on the basis of two criteria: easy of arrangement and usefulness. As the interviews require the participation of busy managers, ease of arrangement is of great importance. Perhaps more relevantly though, the data to be collected does not require the opinions of multiple informants simultaneously. It is instead argued that NWOW's Internal Project Manager will have the best answers for general questions relating to the initiative, and that executive managers should have the best overview of the strategic context in which the business operates. If further detail is sought from specialists, further one-to-one interviews will be arranged.

Apart from the number of participants present in the interviews, the approach can in turn either be structured, semi-structured, or unstructured (Denscombe, 2010, pp.175-176). A *structured* interview places restrictions on the format of the questions and answers. Its approach is similar to a questionnaire, but performed face-to-face with the interviewee. Its advantage lies in its level of standardization – order of topics and questions is set, and a range of possible answers are given – which makes it appropriate for quantitative data collection. (Denscombe, 2010, p.174) As it is again not the purpose of this study to gather a large number of opinions from different informants, its advantage in standardization becomes mute. A *semi-structured* interview is like a structured interview but with some flexibility. It is flexible in that the order of topics can be varied, and allows the interviewee to elaborate on ideas during the interview. The answers are open-ended, making it more appropriate for qualitative data collection. (Denscombe, 2010, p.175) *Unstructured* interviews places the highest emphasis on the interviewee's reasoning. The interviewer should introduce the subject, and let the interviewee speak as freely as possible on the topic. This makes it appropriate for qualitative data collection aiming to explore complex issues rather than checking for facts. (Denscombe, 2010, pp.174-175)

The researcher has chosen to use a semi-structured interview format for the interviews. This choice was made on the basis of the data generated. The purpose of the interviews are to answer a number of questions, but without providing choices between predefined answers – effectively ruling out structured interviews. Furthermore, while the goal is to acquire a rich understanding of the subject, there are still a set of questions that need to be answered, which cannot be guaranteed through an unstructured interview. Therefore, this leaves semi-structured interviews, which provide a flexible alternative to the two extremes.

3.1.3 Sampling Strategy

> ”The basic principle of sampling is that it is possible to produce accurate findings without the need to collect data from each and every member of a survey ’population’. [...] the term ‘population’ [...] refers to all the items in the category of things that are being researched. [...] the sample refers to those [...] who are selected to take part in the research” (Denscombe, 2010, p.23).

Samples aim to fill one of two purposes: to be representative or exploratory. A *representative* sample is usually used to obtain quantitative data for large surveys. It is representative in that it uses a cross-section of the population under study. An *exploratory* sample on the other hand, is more common in small-scale research aimed at obtaining qualitative data. It is exploratory in that it examines relatively unknown topics to aid in the discovery of new ideas. (Denscombe, 2010, p.24)

The population of this research are executive and middle management at Microsoft Sweden’s main office in Akalla. The sample taken from this population is exploratory, as it aims to collect qualitative data and should be considered a small-scale study. Furthermore, as the goal of this study is to put the NWOW initiative into a strategic perspective, and this is yet to be accomplished by the company internally, it should be considered as an exploration of relatively a unknown topic.

When creating a sample, researchers can select informants on the basis of probability or no-probability. *Probability* sampling is based in random selection, which aids in creating a representative sample as discussed above. *Non-probability* sampling however, provides that the researcher chooses at some level from the population under study, and is common for exploratory samples. This often involves selection on basis of expertise when the research subjects are people. (Denscombe, 2010, pp.24-25)

The researcher has chosen to use non-probability sampling in this study. The collection of qualitative data through interviews involves selection on the basis of the informants’ roles in the company. The NWOW Internal Project Manager has been selected to provide information on the NWOW initiative, and the executive managers due to their strategic understanding of the company’s operations.

Denscombe (2010) proposes that researchers use five questions to choose an appropriate technique (p.40):

Is my purpose to produce a representative sample or an exploratory sample?
Exploratory.

To what extent is this purpose better served by selecting the sample on the basis of random selection or deliberate choice?
For relevant answers to be obtained through the interviews, informants must be deliberately chosen by their expertise.

Will qualitative data or quantitative data be more appropriate for addressing my research questions?
Qualitative data is more appropriate as the population of knowledgeable informants is deemed small.

Does a suitable sampling frame exist and can I gain access to it?
There is no specific sampling frame provided by the company, but personnel best suited to answer the questions will be made available by the researcher’s supervisor at the company.

In terms of the resources available for the research (time and money) which sampling technique is both feasible and likely to produce relevant information?
To answer this question we must first define some of the specific non-probability based approaches to sampling. *Quota* sampling is performed on the basis of certain criteria which are considered to be critical for inclusion in the sample. It is up to the researcher to choose from who fits the quota. *Purposive*

sampling is based on the assumption that the best data will be collected by focusing on a deliberately selected sample. The sample is chosen based on relevance and knowledge. *Theoretical* sampling is an evolutionary approach where the sample grows in accordance with the development of theory. *Snowball* sampling is a technique which relies on referral. As new participants are selected for the sample, the researcher is informed of other potential participants. *Convenience* sample is instead based on creating a sample which is quick, cheap and easy to arrange. The participants selected are the first at hand. (Denscombe, 2010, pp.34-38)

The researcher has chosen to use a combination of purposive and snowball sampling for the study. The interviews are best conducted by purposeful selection of informants by their areas of expertise. It is possible however, that if the initial interviewee believes another employee to be better suited for providing some answers, a snowball-type reference to relevant expertise will follow.

Denscombe (2010) argues that "There are basically three approaches to the calculation of the sample size: statistical, pragmatic and cumulative" (p.40). The *statistical* approach is most appropriate to surveys of large scale using a probability sampling technique. In this approach, statistical theory (and a normal distribution curve) is used to determine the appropriate size of the sample. The *pragmatic* approach is more useful in small-scale surveys as it involves few costs and is relatively non-restrictive. This approach bases the sample size on the availability of resources, the nature of the population, and the level of accuracy weighed against the associated costs. Finally, the *cumulative* approach is usually associated with qualitative research on a small scale. In it, the researcher keeps adding to the sample until sufficient information has been gathered, and there is no benefit from adding more. (Denscombe, 2010, pp.42-48)

As the interview informants will be purposefully chosen as representatives of their area of expertise, no sample size will be calculated. **For this reason, the calculation of sample size is deemed irrelevant**.

3.1.3.1 Sample-Related Biases

By choosing NWOW's Internal Project Manager as the informant for the interview on this subject, the information provided will naturally be biased towards promoting the project. However, the nature of the questions asked make it less of a problem, as they aim to gather objective facts more than subjective opinions. Either way the information gathered from this person must be deemed representative of the project as a whole, because of the informant's key position in its implementation. By choosing executive managers as the informants for the interviews concerning the strategic perspective, similar biases may surface. This informant being the researcher's supervisor for the thesis is perhaps not ideal, but it is unclear how this could skew the results.

3.1.4 Data Analysis

3.1.4.1 Relation to Research Question & Objectives

To answer the stated research question – How can the alignment between an FWA and business and IT strategy be conceptually analyzed? – the data collection method is divided into answering three research sub-questions. To reach the research objectives, Balanced Scorecards and an accompanying Strategy Map are created from the collected data. To add validity to their construction, best practices for creating BSCs are built upon when constructing the data collection protocol (see section 3.2.3).

When the data collection has been completed, this leaves the job of extracting relevant information from the data, and constructing the BSCs and SM. These will in turn act as the foundation for furthering the

reasoning of how alignment between FWAs and business and IT strategy can be analyzed conceptually. To add credibility to the analysis, a thematic data analysis method is applied to steer the transformation of raw data into processed, analyzed, and context-related information (see section 3.2.5).

3.1.4.2 Method Justification

When considering what data analysis methods to use, it is important to understand that "The kind of research method used, does *not* provide the defining characteristic of qualitative data. It is the nature of the data produced that is the crucial issue" (Denscombe, 2010, p.273). Regarding the data collected from interviews, the source of data is naturally interview talk, and the format of the data is recorded speech. Therefore, before the analysis can be possible, the interviews need to be transcribed. This is useful because it brings the researcher closer to the data, and results in a format that is far easier to analyze (Denscombe, 2010, p.275). Apart from the actual transcribing of the audio into text, the research should also annotate and provide line numbering and coding of the text (Denscombe, 2010, p.276). Computer-assisted qualitative data analysis software (CAQDAS) can be used to "ensure that qualitative data are organized and stored in an appropriate fashion" (Denscombe, 2010, p.278). However, most of the available software cost a considerable amount of money, and have been excluded on financial feasibility grounds.

When the data has been processed to a more accessible form, there are a number of approaches to analyzing the text. Denscombe (2010) explains five common approaches: content analysis, grounded theory, discourse analysis, conversation analysis, and narrative analysis (pp.281-291). The purpose of *content analysis* is to look for hidden messages by focusing on surface content to produce a quantification of the text. The purpose of *grounded theory* is to develop concepts or theory by focusing on the meaning of the content to produce an interpretation of the text. The purpose of *discourse analysis* is to show how power is exercised through language by focusing on the content in its context to produce implications from the text. The purpose of *conversation analysis* is to reveal underlying rules and structure of talk and interaction by focusing on the structure of the content to produce a sequence and structure of the talk. Lastly, the purpose of *narrative analysis* is to depict constructions of personal identity and social worlds by focusing on the structure or meaning of the content to produce structure or social implications of the text. (Denscombe, 2010, p.280) For the purposes of this research however, only grounded theory seems even remotely appropriate. However, the approach relies on the iterative addition of new data and "uses the constant comparative method as a means of analyzing the data" (Denscombe, 2010, p.116) to achieve theoretical saturation, and is therefore both complex and time-consuming. For these reasons it is deemed unfeasible for the researcher alone to apply this data analysis method within the time and resource limits of this research.

Another widely used method is *thematic analysis*, which "offers an accessible and theoretically-flexible approach to analysing qualitative data" (Braun & Clarke, 2006, p.2). It is a method for "identifying, analysing, and reporting patterns (themes) within data. It minimally organises and describes your data set in (rich) detail. However, it also often goes further than this, and interprets various aspects of the research topic" (Braun & Clarke, 2006, p.6). Identifying themes or patterns in data can be done in two ways: inductively or deductively. "An inductive approach means the themes identified are strongly linked to the data themselves (Patton, 1990) (as such, this form of thematic analysis bears some similarity to grounded theory)" (Braun & Clarke, 2006, p.12). It is a process of coding data without a pre-existing frame, and is highly data driven. Contrastingly, deductive thematic analysis "would tend to be driven by the researcher's theoretical or analytic interest in the area, and is thus more explicitly analyst-driven" (Braun & Clarke, 2006, p.12).

This researcher has chosen to use inductive thematic analysis for the qualitative data collected. This choice has been made on grounds of appropriateness and flexibility. The researcher believes that this method is the most appropriate as it, like grounded theory, works through the identification and coding of themes. These themes can in turn be related to STs in the SM. It does however not *require* iterative data collection, as it allows for a varying degree of rigor, and can be pursued with less formal requirements and restrictions. It is also flexible in that it allows for both an inductive and deductive approach. The inductive approach can be argued to gain rigor due to its highly data-driven nature, and to minimize preexisting biases from the researcher's preconceived notions. Inversely, these can be seen as drawbacks of the deductive approach, which is framed by the researcher's cognitive mapping on beforehand, making it hard to eliminate biases due to subjectivity. As the researcher has not established any hypotheses to test in this research, but has started with a clean slate to interpret and conceptualize reality, a pre-existing frame does not exist – making the inductive approach more appropriate.

3.2 Application of Method

3.2.1 Literature Review

The literature review of the resources which forms the theoretical foundation for this thesis was performed in the following manner: topics were defined, key words were listed, sources were identified, searches were performed, resources were browsed through, resources were read, and resources were summarized/cited. First, the researcher started by defining the topics of interest, so that a general literature frame was established. Second, these were broken down into key words to make search results more accurate and consistent. Third, relevant sources for the resources sough were identified, so as to guide the coming document search. Fourth, the actual document search was performed, which is described in more detail below. Fifth, when resources were found that were at an initial glance interpreted as relevant, and these were browsed through. More specifically, this meant reading the abstracts and conclusions of articles, and the table of contents and introductory/concluding paragraphs of relevant sections of books. Sixth, for the resources that were deemed of interest to the research being conducted, these were then read in their entirety, and highlighting and annotations were made. Finally, the relevant content from these resources were summarized or cited in the thesis report. It should be noted that this process was performed iteratively, as new areas of importance surfaced following a deepened understanding of the research area.

3.2.2 Document Search

The literature relevant to this research can be classified into two groups: strategic alignment and flexible working arrangements (FWAs). The former literature group is a sub-discipline of strategic management, and is therefore an already heavily delineated domain. The concept of strategic alignment has many synonyms however. Therefore, when searching for relevant literature within it, key words such as 'strategic alignment', 'business-it alignment', 'it-business alignment', 'it alignment' and merely 'alignment' – have been used. The latter literature group has its roots in knowledge work, as its increase has motivated the establishments of FWAs. FWAs are a more diverse domain, and can be seen as encompassing sub-disciplines such as work-life programs, telework, and computer-supported collaborative work. Keywords have therefore ranged from 'flexible working arrangements' and merely 'flexible work', through 'work-life programs', 'family-friendly practices', 'telework', 'mobile work', to 'computer-supported collaborative work' and 'CSCW'. Making the connection between these two literature groups proved to be very hard, as searches for any combinations of keywords from the two

produce very few results, if any. Apart from the use of key words in searches – if references to relevant resources were found within the obtained results, these were then searched for explicitly.

In terms of sources, the Stockholm University Library website (http://sub.su.se) has been the starting point for most searches. This website acts as a gateway to almost three hundred databases of resources such as journals, books and articles within the scientific realm. Also, the Google Scholar website (http://scholar.google.com) has been used for complementary searches. This website enables the searching for a variety of resources across many disciplines and sources. Apart from these, the institution's supervisor for this thesis has also provided the researcher with a plethora of literature on strategic alignment, for which exact sources cannot be provided by this researcher. It should also be noted that the host company of the case study performed in this study, has supplied the researcher with documentation relating to the FWA known as the New World of Work (NWOW) at Microsoft Sweden's Akalla office. Also, some marketing material has been obtained from the company website.

As for the timeframe of the literature considered, no exclusions have been made in terms of year of publication. However, more recent literature has been chosen over older such, so as to build from contemporary research as these in turn are assumed to have considered previous work within the area. The concept of strategic alignment was popularized in the 1980s, whereof literature on this subject has naturally been focused from hereon and forward. The concept of flexible work has deeper roots, but intensified in the 1990s, wherefore most of the literature found is from this point in time and forward.

3.2.3 Data Collection Procedure

The *Balanced Scorecard Institute* has put together a nine-step process to build and implement a BSC (Balanced Scorecard Institute, 2013). To consider the current best practices within this area, this research will utilize this process:

1. Assess the organization's mission, vision, challenges, enablers, and values.
2. Develop the organization's strategy through results, themes and perspectives.
3. Decompose strategic elements into strategic objectives.
4. Formalize cause and effect linkages between objectives in a Strategy Map.
5. Develop performance measures for each objective.
6. Develop strategic initiatives that support the objectives.
7. Apply performance measurement software.
8. Cascade the BSC down through the organization.
9. Evaluate the complete scorecard.

Because the aim of this thesis is not to recreate Microsoft's strategy, to create a general BSC for the entire organization, nor to perform the actual implementation of the created BSC, the process needs to be adapted to thesis' actual purpose – to create a BSC and SM for NWOW which illustrate how the alignment between FWAs and business and IT strategy can be conceptually analyzed. Therefore, the process in this thesis will be restricted to the first four steps of the process:

1. Asses Microsoft Sweden's mission, vision, challenges, enablers, and values.
2. Decompose the NWOW strategy through results, themes and perspectives.
3. Decompose NWOW's strategic elements into strategic objectives.
4. Formalize cause and effect linkages between NWOW's objectives in a Strategy Map.

In total, eight interviews were performed – each approximately one hour in length. Six of these were planned for in advance (purposive sampling), while the remaining two were obtained through referral

(snowball sampling). All but one interview was performed in a conference room or open area at the Akalla office. The last interview was conducted in the lobby of a hotel in Stockholm city.

3.2.4 Protocol Construction

To gather data for the construction of a BSC and SM, questions were constructed and fitted into the presented four step process. As mentioned previously, to answer the main research question, a number of sub-questions were created. To relate the data collection process and protocol construction back to these, the following logic is argued. The first research sub-question (What are the components of an FWA initiative?) is answered through the questions formulated for the third step in the data collection process. In turn, the second research sub-question (What are the goals of these components?) is answered through the questions formulated for the second step in the data collection process. Lastly, the third research sub-question (How do these goals align with business and IT strategy?) is answered through a combination of questions formulated for the first, second and third step in the data collection process. The analysis of the data collected in the first, second and third steps, will be performed in the fourth step. This will in turn provide substance to answer the main research question (How can the alignment between an FWA and business and IT strategy be conceptually analyzed?).

3.2.4.1 Asses Microsoft Sweden's mission, vision, challenges, enablers, and values

This first step aims to assess the relationship between business and IT strategy within the organization. This is done by defining the mission, vision, threats, opportunities, and core values of both the business and IT perspectives. Therefore, these questions are asked in two interviews – one with a business manager, and one with an IT manager.

"Mission and vision statements set the general goals and direction for the organization. [...] Companies make their mission and vision statements operational when they define a strategy for how the mission and vision will be achieved" (Kaplan & Norton, 2004, p.35). To collect data related to this, five questions have been constructed from Step 1 in the BSC process:

1. What is Microsoft Sweden's mission?
2. What is Microsoft Sweden's vision?
3. What are Microsoft Sweden's threats?
4. What are Microsoft Sweden's opportunities?
5. What are Microsoft Sweden's core values?

> "Basically, financial strategies are simple: companies can make more money by (1) selling more, and (2) spending less. Everything else is background music. [...] Thus, the company's financial performance gets improved through two basic approaches - revenue growth and productivity [...] Companies can generate profitable revenue growth by deepening relationships with existing customers. [...] Companies can also generate profitable revenue growth by selling entirely new products" (Kaplan & Norton, 2004, p.36).

To collect data related to this, one question with two sub-questions have been constructed from Step 1 in the BSC process:

6. What is Microsoft Sweden's growth strategy?
    a. How do you measure revenue opportunities?
    b. How do you measure customer value?

> "*Productivity* improvements [...] also can occur in two ways. First, companies reduce costs by lowering direct and indirect expenses. [...] Second, companies, by utilizing their financial and physical assets more efficiently, reduce the working and fixed capital needed to support a given level of business" (Kaplan & Norton, 2004, pp.36-38).

To collect data related to this, another question with two sub-questions have been constructed from Step 1 in the BSC process:

7. What is Microsoft Sweden's productivity strategy?
    a. How do you measure cost structure?
    b. How do you measure asset utilization?

> "The link to strategy in the financial perspective arises as organizations choose a balance between the often contradictory levers of growth and productivity. [...] The overarching financial objective is, and must be, to *sustain* growth in shareholder value. Thus, the financial component of the strategy must have *both* long-term (growth) and short-term (productivity) dimensions" (Kaplan & Norton, 2004, p.38).

To collect data related to this, one final question has been constructed from Step 1 in the BSC process:

8. How does Microsoft Sweden balance long-term (growth) and short-term (productivity) goals?

The answers to these questions provide the information for the creation of the Financial perspective in the BSC.

As the above questions require organization-wide knowledge, these are asked during the interviews with the executive managers. Below questions relate to the NWOW initiative specifically, and are therefore asked during the interview with NWOW's Internal Project Manager.

3.2.4.2 Develop the NWOW strategy through results, themes and perspectives

This second step aims to establish the alignment between NWOW and the business and IT strategy within the organization. This is done by defining who the customers of the initiative are, what NWOW's value proposition towards these are, and how these connect with the previously established business and IT strategy. Therefore, these questions will be asked in one interview with the NWOW Internal Project Manager.

> "The revenue growth strategy requires a specific value proposition, in the *customer* perspective, that describes how the organization will create differentiated, sustainable value to targeted segments. In the customer perspective of the strategy map, managers identify the targeted customer segments in which the business unit competes and the measures of the business unit's performance for customers in these targeted segments. [...] A strategy should identify specific customer *segments* that the company is targeting for growth and profitability. [...] Once the company understand who its targeted customers are, it can identify the objectives and measures for the *value proposition* it intends to offer" (Kaplan & Norton, 2004, pp.38-40).

To collect data related to this, four (often reoccurring) questions have been constructed from Step 2 in the BSC process:

1. Who are the customers of the NWOW initiative?

For each customer segment:

2. What is NWOW's value proposition for this customer?

For each value proposition:

3. How does this objective support Microsoft Sweden's growth and/or productivity strategy?
4. How does this objective contribute towards Microsoft Sweden's mission and vision?

The answers to these questions provide the information for the creation of the Customer perspective in the BSC.

3.2.4.3 Decompose NWOW's strategic elements into strategic objectives

This third step aims to establish NWOW's components, how these relate to the overarching customer value propositions, and in turn the business and IT strategy. This is done by breaking NWOW down into its intangible dimensions and tangible components. Following this, the capital needed to reach these objectives is established. This is done in terms of human, information, and organizational capital. Therefore, these questions will be asked in multiple interviews – one for each of NWOW's core dimensions.

> "Once an organization has a clear picture of these financial and customer objectives, the objectives in the internal and learning and growth perspectives describe how the strategy will be accomplished. [...] Internal processes accomplish two vital components of an organization's strategy: (1) they produce and deliver the value proposition for customers, and (2) they improve processes and reduce costs for the productivity component in the financial perspective" (Kaplan & Norton, 2004, p.43).

To collect data related to this, four (again often reoccurring) questions have been constructed from Step 3 in the BSC process:

1. What are NWOW's core dimensions?

For each dimension:

2. What are the NWOW dimension's main objectives?

For each objective:

3. What actions are taken by Microsoft Sweden to achieve this?

For each action:

4. How does Microsoft Sweden measure progress towards this objective?

The answers to these questions provide the information for the creation of the Internal Business perspective in the BSC.

"The fourth perspective of the Balanced Scorecard strategy map, learning and growth, describes the organization's intangible assets and their role in strategy" (Kaplan & Norton, 2004, p.49). "The organization manages its internal processes and its development of human, information, and organization capital to deliver the differentiating value proposition of the strategy" (Ibid., p.43). To collect data related to this, three final questions have been constructed from Step 3 in the BSC process:

5. What is needed in terms of human capital to reach this objective?
6. What is needed in terms of information capital to reach this objective?
7. What is needed in terms of organizational capital to reach this objective?

The answers to these questions provide the information for the creation of the Learning & Growth perspective in the BSC.

3.2.4.4 Formalize cause and effect linkages between NWOW's objectives in a Strategy Map

This fourth and final step aims to illustrate the created Balanced Scorecard through the use of a Strategy Map. As neither the executive managers nor the NWOW Internal Project Manager have the answers to how the objectives of the NWOW initiative relate to Microsoft Sweden's business and IT strategy – this final step is left to the researcher's analysis. Therefore, this step will be detailed in the Data Analysis Procedure.

3.2.5 Data Analysis Procedure

3.2.5.1 From Raw to Processed Data

> "If the contents of an interview are being used for the factual information they provide [...] the researcher can be quite selective [...] If the researcher is looking for underlying structure of the talk or the implied meanings of a discussion, the audio recordings will need to be transcribed quite extensively – possibly in their entirety" (Denscombe, 2010, p.275).

Because this research aims to extract as much detail as possible from the interviews with the informants, and for the sake of transparency in methodology, the researcher chose to transcribe the recordings in their entirety.

After the transcription was completed, the text was sent back to the informants for respondent validation, as well as providing the option of removing content which the informant had come to realize was too sensitive to allow in the report. However, none of the informants changed or removed any of the content from the transcriptions, wherefore they were kept in their entirety. The researcher assured that the final report would be sent back for review before final submission of the thesis.

Microsoft chose to leave the connection with the company explicit, but requested that 'who said what' be kept anonymous. Therefore, the informants were described without any numbering and transcriptions were excluded from the appendices, so that quotes could not be traced back to specific individuals. When this had been done, the transcription was formatted in an Excel document – creating columns for IDs, speakers, and codes to be entered parallel to the text itself. An ID was allocated for each new cell in the spreadsheet, as it was deemed unnecessary to number each and every line. Codes were added throughout the analysis of the data.

3.2.5.2 From Processed to Analyzed Data

The researcher used inductive thematic analysis to answer the research question. Braun and Clarke (2006) present a step-by-step approach to performing thematic analysis involving six phases:

1. Familiarize yourself with the data
2. Generate initial codes
3. Search for themes
4. Review themes
5. Define and name themes
6. Produce the report

This process resulted in a structure of themes and subthemes which group the codes, and can be illustrated as in Figure 4. The main themes that have been defined are *Microsoft Corporation*; *Akalla, Sweden*; and NWOW's *People*; *Place*; and *Technology* perspectives. These in turn entail sub-themes (and sometimes sub-sub-themes) – for example, the People, Place and Technology themes each include the Capital, Components, and Goals sub-themes (and Capital includes Human, Information and Organization). The key can be visualized as in Figure 4, and the complete thematic map is illustrated in Figure 5.

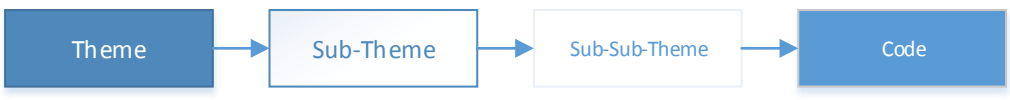

Figure 4 - Thematic Map Key.

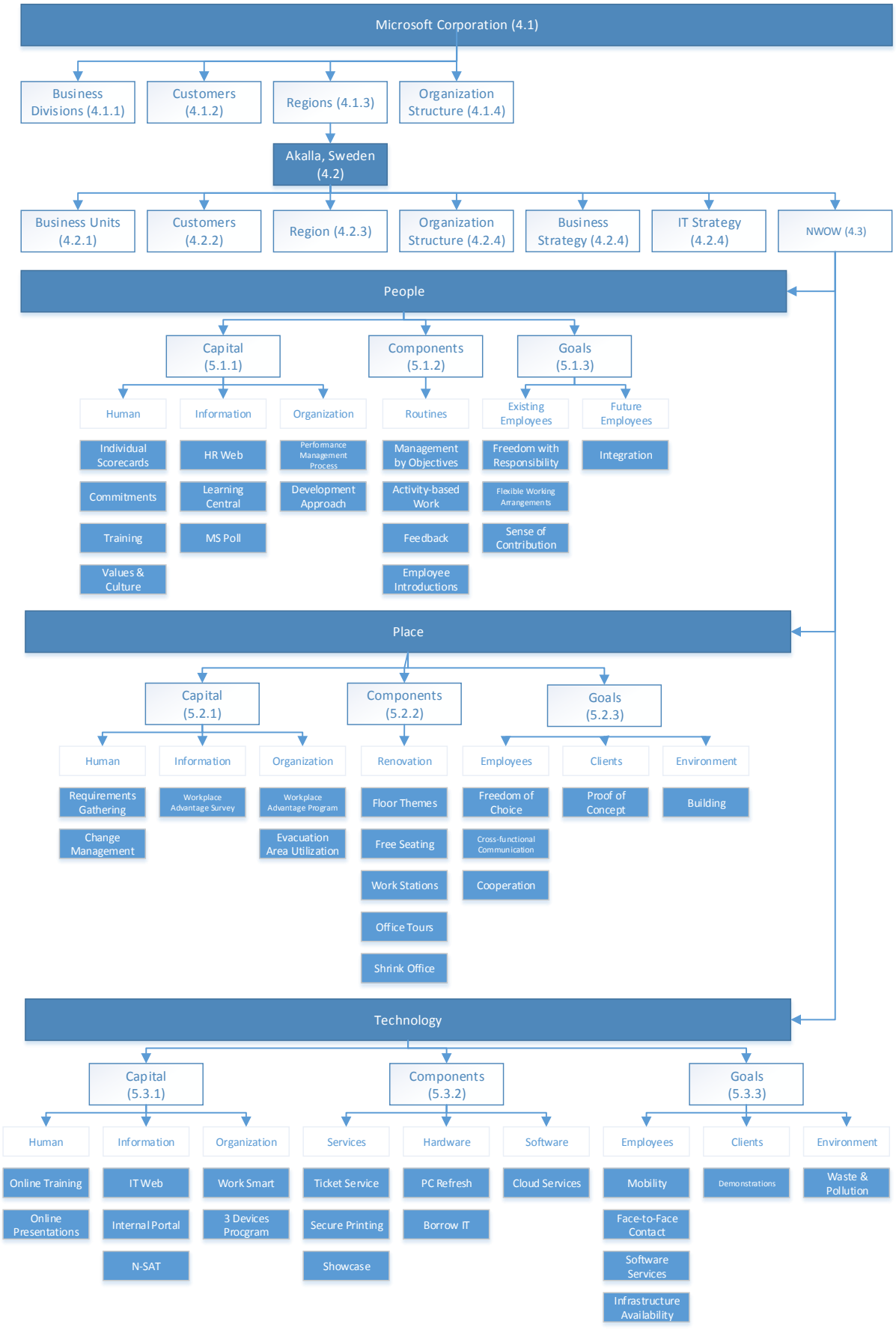

Figure 5 – Complete Thematic Map.

The information resulting from this process is presented in the Results chapter.

3.2.5.3 From Analyzed Data to Context-Related Information

To continue building on the results, the researcher takes a step back so as to consider what the findings may mean for how the alignment between FWAs and business and IT strategy can be conceptually analyzed. Here the results are inputted into and analyzed through the SAM, and connected to related studies and findings in an attempt to put the pieces of the puzzle together and answer the research's main question.

The insights gained from this final step of the process is presented in the Analysis chapter.

3.3 Research Ethics

As Denscombe (2010) purports, "ethics is not an option – it is a fundamental feature of all good research" (p.329). Even though this research has not been reviewed on beforehand by any formal ethics committee, the researcher has continuously provided information to his supervisor and reviewer for guidance in, among many, such matters. Furthermore, the researcher has made sure to identify and comply with the university's code of ethics (Järlebark, 2012).

Beyond these more formal elements, Denscombe (2010) suggests that "Social researchers are expected to conduct their investigations in a way that: 1) protects the interests of the participants, 2) ensures that participation is voluntary and based on informed consent, 3) avoids deception and operates with scientific integrity, and 4) complies with the laws of the land" (p.331).

In terms of protecting the informant's interests – the researcher has signed a Non-Disclosure Agreement on his first visit at the company. To make sure that no information is released through the interview that was not meant to by the informant, the transcription will be sent back to the interviewee for review before included in any draft of the report. For reasons of confidentiality, the transcripts have been excluded from the report and interviewees have not been numbered – so as to remove the possibility of tracing speakers of individual quotes. This researcher can provide complete transparency into such evidence upon request if Microsoft's consent is obtained. Furthermore, the report will not be published, but only presented within the institution for which it is written, unless of course the company consents to this. As for ensuring the voluntary participation and consent of the informant, informed consent forms have been constructed and provided to the informants before participation. These template has been attached in Appendix B of this report. As for the third and fourth principles – operating in an open and honest manner, and complying with laws and regulations – the researcher has no intention of breeching any of these. There is absolutely nothing to gain by deception in this research, and the researcher has been open and honest with the purpose of the research from the start.

3.4 Quality Criteria

"For the research to achieve credibility it needs to demonstrate in some way or other that the findings are based on practices that are acknowledged to be the bases of good research" (Denscombe, 2010, pp.297-298). Concepts such as validity, reliability, generalizability and objectivity are commonly used to judge research credibility. To lay the foundation for argumentations relating to validity later in the thesis, they will each be presented below.

Validity "refers to the accuracy and precision of the data" (Denscombe, 2010, p.298) and concerns the appropriateness of the data collected in relation to the research question. Three common ways of arguing for validity are triangulation, respondent validation, and grounded data.

Reliability on the other hand, "refers to whether a research instrument is neutral in its effects and consistent across multiple occasions of its use" (Densombe, 2010, p.298). An established way to argue for reliability is to provide an "explicit account of the methods, analysis, and decision-making" (Denscombe, 2010, p.300) to provide the reader with as much information as possible on how one has arrived at the research's findings.

Generalizability (also called external validity) "refers to the prospect of applying the findings from research to other examples of the phenomenon" (Denscombe, 2010, p.298). As this is a small-scale study involving only one company, generalizations should of course be made with great care. The aim in this research is to provide information so that the reader can judge the relevance and applicability of the findings for him- or herself. Yin (2003) distinguishes between statistical and analytic generalization, where the former attempts to make a statistical transposition from a sample to the rest of the population. The latter type however, deals with the generalization of theoretical applicability. In this study, it is analytic generalization that is of relevance.

Objectivity "refers to the absence of bias in the research" (Denscombe, 2010, p.298). No research can ever be proven to be completely free from biases of the researchers, but a few things can be kept in mind when performing interviews. For example, the researcher can aim to "distance themselves from their normal, everyday beliefs and to suspend judgment on social issues for the duration of their research" (Denscombe, 2010, p.302). Alternatively, the researcher can "come clean about the way their research agenda has been shaped by personal experiences and social backgrounds" (Denscombe, 2010, p.302). Whether either of these two approaches are feasible to successfully pursue is doubtful, wherefore the result often lies somewhere in between the two. Following however the second approach, it is sometimes warranted to include some biographical details about the researcher, so that the reader can decide for him- or herself how to assess the findings. Finally, it is important to be critical of one's own findings. To do so, it is important to not merely use data that verifies the hypothesis, but to also include falsifying data if found. This also means that rival explanations should be explored. (Denscombe, 2010, p.303)

These quality criteria will be used during the research process to assure the thesis' quality and credibility. In the Discussion & Conclusion chapter of the report, a reflection of how these have been adhered to is provided.

4 Case Study

In this chapter, the case of the study is introduced. The presentation starts at the corporate level of the company, and moves on to elaborate on specificities through the Akalla office subsidiary in Sweden. Following this, Microsoft's FWA – the New World of Work – is outlined, and some background information on the informants and researcher is provided.

4.1 Microsoft Corporation

Founded in 1975, Microsoft's mission is to "enable people and businesses throughout the world to realize their full potential by creating technology that transforms the way people work, play, and communicate" (Microsoft Corporation, 2013a, para.2). In general terms, their business consists of developing and marketing software, services, and hardware, with the goal of delivering new opportunities, greater convenience, and enhanced value to people's lives.

4.1.1 Business Divisions

The business is operated by a divisional structure of eight segments:

- Online Services (OS),
- Server & Tools (S&T),
- Microsoft Business Solutions (MBS),
- Microsoft Office Division (MOD),
- Windows Phone Division (WPD),
- Windows Division (WD),
- Skype (S), and
- Interactive Entertainment Business (IEB).

The segments divide the business into its key components, and facilitate the alignment of strategies and objectives across the R&D, S&M, and Services organizations, as well as the rational allocation of resources across the businesses. (Microsoft Corporation, 2013b)

4.1.2 Customers

Microsoft's customers include everything from individual consumers and businesses of all sizes to governmental and educational institutions, ISPs, applications developers and OEMs. The customers are generally divided by size as follows:

- Small and Medium Businesses (SMB)
- Corporate Territory Managed (CTM)
- Corporate Account Managed – Smaller (CAM-S)
- Corporate Account Managed – Enterprise (CAM-E)
- Major.

4.1.3 Regions

The organization does business all over the globe through offices in more than 100 countries, and is divided geographically into thirteen regions:

- Latin & South America (LATAM),
- Western Europe (WE),
- Middle East and Africa (MEA),
- Greater China Region (GCR),
- India (IND),
- Germany (GE),
- United States (US),
- Asia-Pacific (APAC),
- Japan (JA),
- United Kingdom (UK),
- France (FR),
- Central Eastern Europe (CEE), and
- Canada (CA).

It can be noted as well that only the US region is managed through the Microsoft Corporation organization – all of the other twelve regions are managed through an organization named Microsoft International.

4.1.4 Organization Structure

The result of the above explained dimensions is a structure that transcends the traditional divisional and matrix structures, more appropriately termed as a multidimensional organization. In Figure 6, the structure is illustrated graphically in three dimensions. To extend this model, one could perhaps add the internal business units as a fourth dimension, but this makes the structure harder to illustrate.

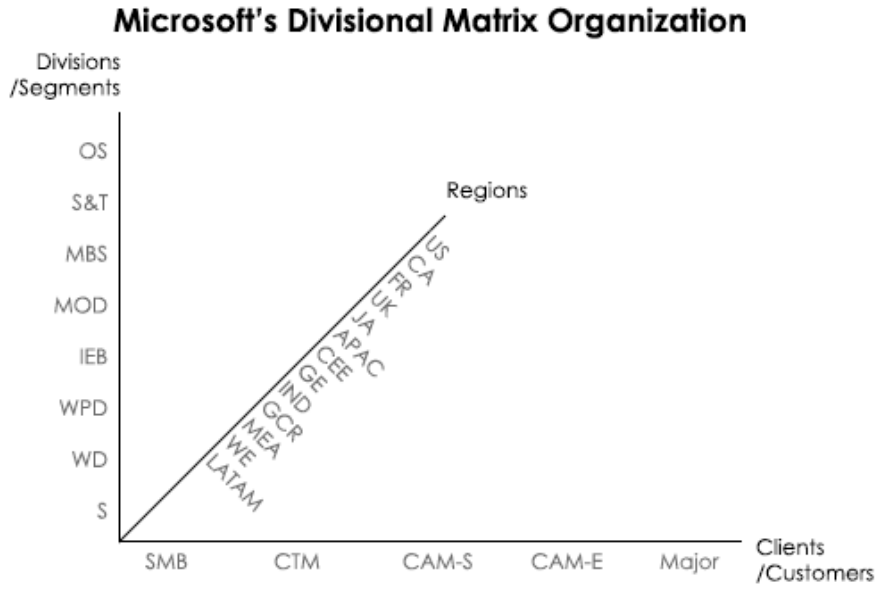

Figure 6 - Microsoft Corporation's Organizational Structure.

4.2 Microsoft Sweden, Akalla

The Akalla office of Microsoft Sweden was built in 1991 to 1992, and houses a largely S&M focused organization. The Board consists of ten board members, including the Vice President.

Microsoft Sweden employs some 460 people, of which about 440 are located in the Akalla office, and between 100 and 200 are employed on consultant basis. The Akalla office is the only Microsoft office in Sweden, and the twenty employees that work outside of the office are representatives in other Swedish cities – such as Gothenburg and Sundsvall.

4.2.1 Business Units

The Akalla office consists of four main business units:

- Sales, Marketing & Services Group (SMS&G),
- Advertising & Online (A&O),
- Consumer Channel Group (CCG), and
- Developer Platform & Evangelism (DP&E).

As the Akalla office is largely a S&M organization, with exception for the provision of some Services, this is reflected in the organizational structure by the size of the SMS&G unit. Within the SMS&G, five large sub-units exist:

- Public Sector (PS),
- Enterprise & Partner Group (E&PG),
- Small, Medium Solutions & Partner (SMS&P),
- Services (Se), and
- Marketing & Operations (M&O).

The SMS&G unit does not have a dedicated manager, and the five sub-units report straight to the Vice President, wherefore no intermittent reporting relationship is illustrated in Figure 7. The Se organization, is also divided into two sub-units: Premier (P) and Microsoft Consulting Services (MCS).

4.2.2 Customers

The customer classification outlined previously is based on the office's expected profit potential from the customers. Traditionally, this potential was based on the number of PCs at the customer's site, but is nowadays based on the number of employees. In the Akalla office, Major customers have a profit potential of over $4 million, CAM-E between $1million and $4 million, and the figures decrease as one digresses down the scale. Usually, Account Managers handle between one and three Major customers, ten to twelve CAM-E customers, fifty CAM-S customers, 150 CTM customers, or even more SMB customers.

4.2.3 Region

The Akalla office in Sweden is part of the Western Europe region, which in itself contains twelve countries – Sweden, Norway, Finland, Denmark, Ireland, Holland, Belgium, Spain, Italy, Austria, Switzerland, and Portugal.

4.2.4 Organization Structure

Apart from the business units, there are of course also common functions such as IT, HR, Finance, Legal, and Facilities. As the organization contains elements of a matrix structure, there are both primary

and secondary reporting relationships. The business units report primarily to the Vice President, and secondarily to Western Europe (whom in turn reports to Corporation). The common functions however, report primarily to Western Europe, and secondarily to the Vice President. To avoid cluttering the illustration however, only the primary reporting relationships are presented in Figure 7.

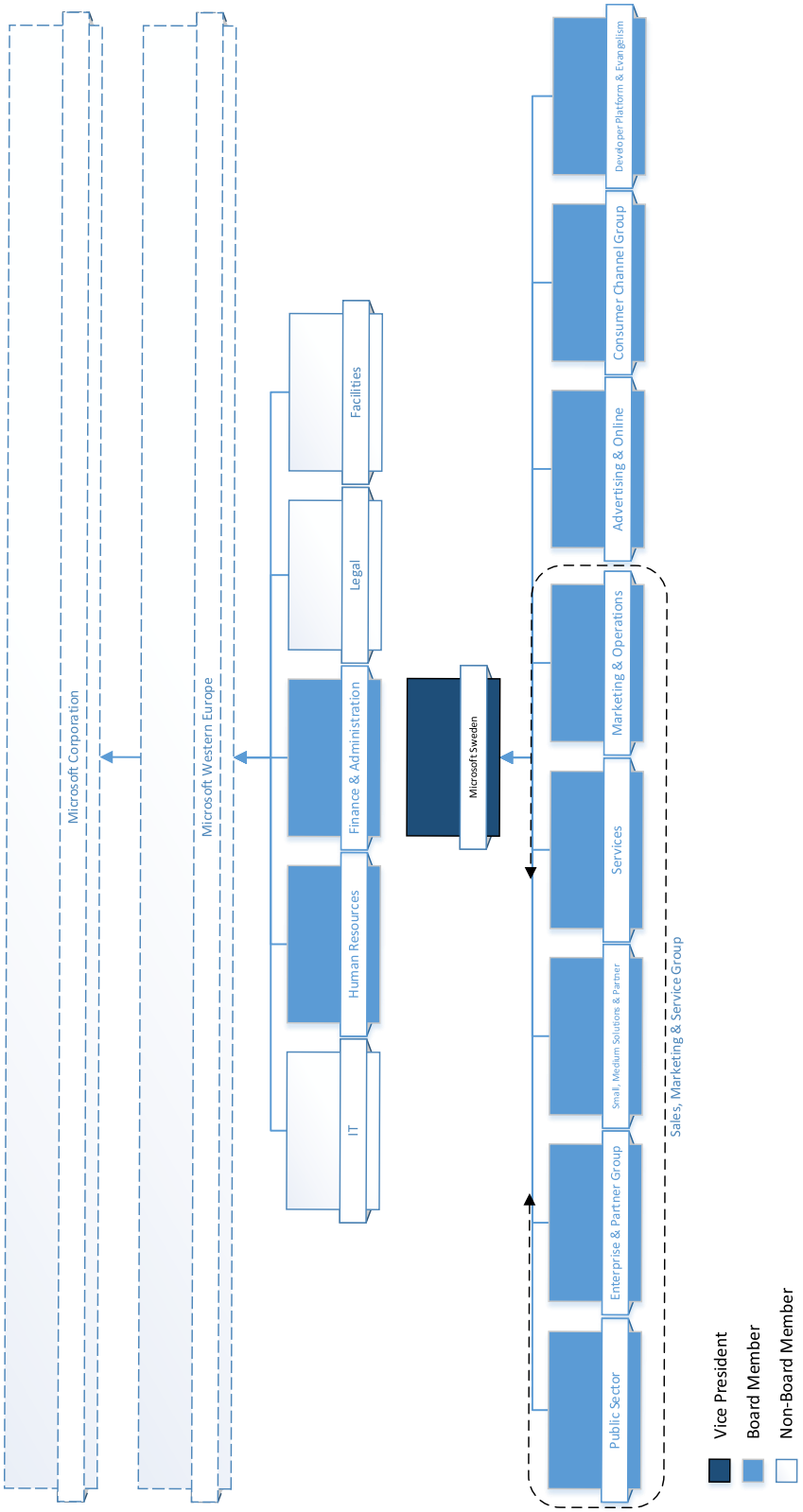

Figure 7 - Microsoft Sweden's Organizational Structure.

4.2.5 Business Strategy

Microsoft's mission, which is the same globally, is sometimes shortened to – 'Your potential. Our passion'. The vision however, globally stated as "Create experiences that combine the magic of software with the power of Internet services across a world of devices" (Romano, 2008, para.3), has been locally adapted to "Microsoft Sweden will become customers' first choice by offering the best holistic digital experience, regardless of place and device" (Quotation from Interviews). On a Corporate level, Microsoft goes to market in two ways: "The first is by selling devices that have built-in end-user services. And the second is with addition value-added services for our enterprise and business customers" (Microsoft Corporation, 2012, 48-49min). The corporate strategy is formulated at the US headquarters by the Executive Leadership Team, and then "the leadership team in Sweden will need to at least translate Microsoft's strategy into local tactics to be able to act on the strategy given" (Quotation from Interviews). However to describe a strategy at Microsoft Sweden in detail, this would require that one focused on a specific customer and product or service group. Assuming that the eight business divisions, and five customer groups, had one each – this would result in 40 strategies. Instead of looking at all of these, or drilling down into a few, one can take a step back and look at the commonalities. First of all, the process of translating the corporate strategy into a local strategy is illustrated in Figure 8.

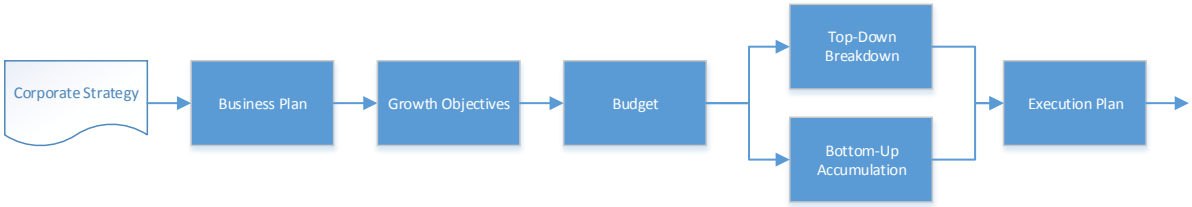

Figure 8 - Subsidiary Strategy Translation Process.

After receiving the corporate strategy, a business plan is constructed, and growth objectives are set for the different business divisions. This results in a budget proposal, which is validated and adjusted through a parallel top-down and bottom-up approach, to ensure that the leadership team and the underlying organizations have a common view on the final budget. Based on this, an execution plan is constructed, which may include tactics such as investments, marketing, etc.

To make sure that the strategy and established tactics are executed according to plan, Microsoft relies on extensive use of scorecards. The scorecards are constructed at the corporate level in accordance with the corporate strategy, and is then cascaded all the way down to an individual level. So another way of looking at the business strategy of Microsoft Sweden, is through the regional scorecard, illustrated in Table 1.

Table 1 - Microsoft Sweden's Scorecard.

Ref #	Owner		FY14 Draft Sub Scorecard Metrics
1	Finance		Net Revenue
2	Finance		Contribution Margin
3A	CPE		Managed NSAT - SMSG
3B	CPE		Unmanaged NSAT - SMSG
4	HR		WHI - SMSG
5A	OEM		Total BOS Attach
5B	OEM		Local BOS Attach
5C	OEM		Pro BOS Attach
6	STB		System Center Server Mgmt Billed Revenue
7	STB		WS - Hyper-V Deployment
8	STB		Windows Azure Billed Revenue
9	STB		SQL Server Premium Billed Revenue
10	MOD		Yammer Enterprise Network Wins
11	MOD		Win in the Cloud with Office 365
12A	MOD		Office 365 Assigned Users (Commercial)
12B	MOD		Office 365 Assigned Users (Academic)
13	MOD		Office Unmanaged Licenses
14	MOD		Office 2013 Deployment in Enterprise
15	Windows		Windows (7, 8) Deployment
16	Windows		Windows Share of PC Devices
17	Windows		Surface and Windows Tablet Activations
18	Windows		Windows 8 Top Apps
19	DPE		Total Apps - Windows, Windows Phone and Azure
20	WPD		Windows Phone Top Apps
21	WPD		Windows Phone Activations
22	MBS		Dynamics Billed Revenue
23	Skype		Lync Voice Seats Sold
24	A&O		Online Advertising Net Revenue
25	IEB		IEB Contribution Margin
26	Services		MCS External Revenue

The status of each metric is indicated by color – green for above, yellow for within, and red for below expectations. Note that the performance statuses in Table 1 are fictitious. The owner of each metric is also stated, so that performance can be traced back to the relevant sub-organization. What is obvious from this scorecard is that it is very much product-focused, which reflects the power the business divisions/segments have in the company. From the Common Functions domain – Finance has two key metrics, and HR has one.

In addition to the national scorecard, each sub-organization in turn has its own scorecard – divided into four sections. The first section groups measurements of a number of strategic products, and keeps track of the Question Mark products with the hope to turn them into Stars. The essence of this section could perhaps be likened with the Learning & Growth perspective of a traditional Balanced Scorecard. The second section is focused on customer satisfaction with products and services, which can easily be

compared with the Customer perspective. The third section is a sub-set of the Profit & Loss Statement (P&L), and therefore corresponds with the Financial perspective. The fourth and final section scores the organization itself through employee satisfaction, effectiveness of organizational structure, etc. Roughly, this section seems to correspond to the Internal Business Process perspective. As an example, the Service organization's scorecard consists of twenty-one metrics divided into these four sections. Although the sections are the same between sub-organizations, the metrics under each may differ.

4.2.6 IT Strategy

At Microsoft – "IT strategy aligns with the business strategy" (Quotation from Interviews). There is a series of strategy meetings, the first of which is held every year between March and April. Here, the Executive Leadership Team – which among many others include the CIO and a few of his directors – meet and define the business strategy. This is in turn documented in several world-wide memos, by different business organization such as IT. So usually, at the beginning of May, you will find a memo that describes the IT strategy. As local offices around the world are given this strategy, they in turn "translate it into the tactics that are relevant for the subsidiary" (Quotation from Interviews).

Microsoft has what they call three 'buckets' – Connect the Company, Delight our Customers, and Inspire the Industry. These are the main components of any Microsoft strategy, so as to retain alignment with the overall business strategy. These strategy components are then translated into specific domains, which are then broken down into tactics and realized through operations. Figure 9 illustrates how the Microsoft IT strategy relates to the business strategy. What is clear by the three buckets is that three actors are of importance: the company itself, its customers, and the industry in which it operates.

To connect the company, Microsoft IT works with innovation around devices and services. The company has recently gone through a shift from merely software, to actually producing devices such as the Surface tablet. This shift in strategy is an enormous change for such a large company, and it is therefore important that it is reflected clearly on the strategic level. It is the devices and services that Microsoft IT's R&D units create, that provide the infrastructure for what connects employees within the organization. Apart from being innovative in terms of the core business, the foundation also needs to be made resilient and agile. To be able to adapt in a fast changing environment, it is especially important for large companies such as Microsoft to make sure to stay relatively agile. At the same time, it is important that this agility does not leave the organization vulnerable. Therefore, it is important that this foundation be kept resilient as well. To make this a reality, IT has implemented a hybrid environment – storing both internally on-premise, as well as externally in the cloud. This allows them to be robust where needed, and swift where more appropriate.

The second bucket is interesting because it speaks of delighting the *customers*. When thinking business strategy, one would assume this to be the end-customer. But considering this as an internal business function, it is clear that the customer is actually the employee. What makes this relationship special at Microsoft however, is that they create the devices and services that they then use themselves. Therefore, this is all about supporting the employees in the best way possible. In this way, IT sees itself as the first and best customer, because it is the first to test the new devices and services, and also has the best insight into their construction. Microsoft in general, is regularly subjected to beta-testing, but in some parts of IT, alpha-testing is also performed. The idea is that if the internal customers are satisfied, so will external end-users be.

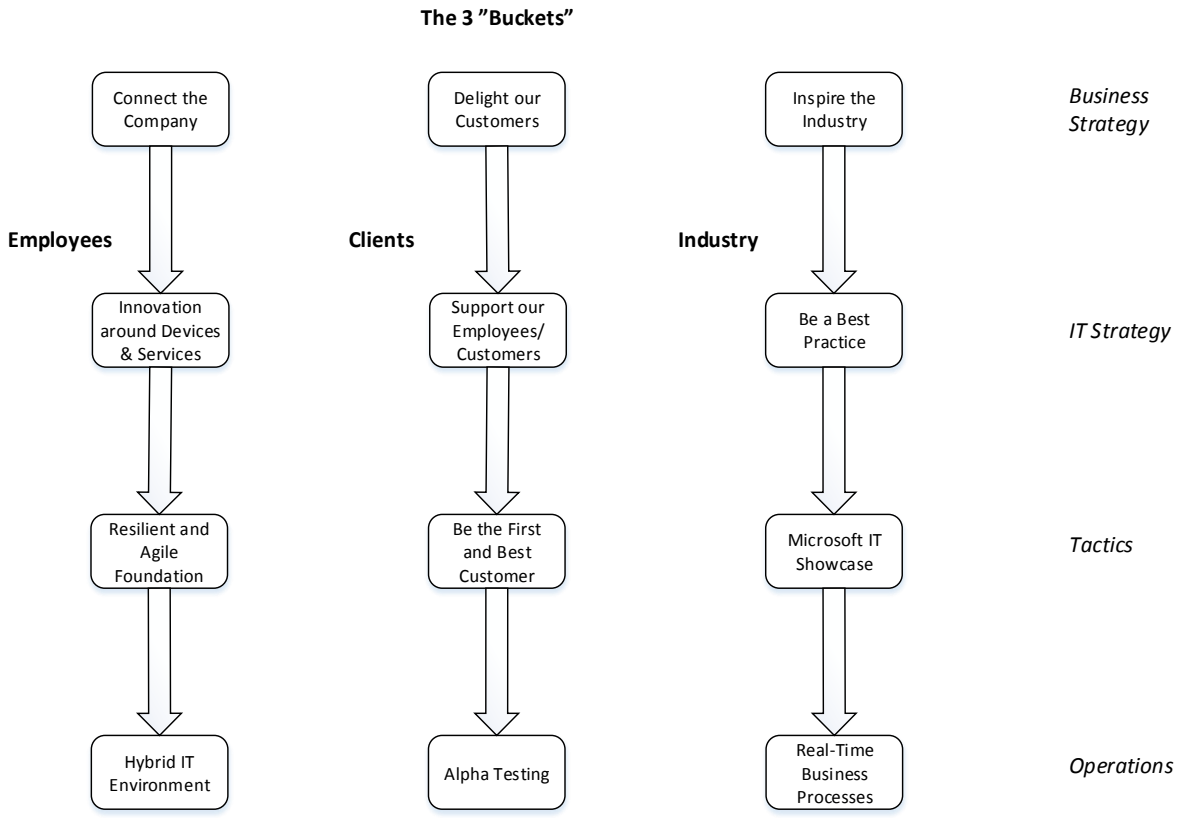

Figure 9 - Microsoft IT Strategy Alignment.

Finally, the third bucket pertains to inspiring the industry, and to do so IT aims to act as a best practice. Because they are the first and best customers, they have a unique opportunity to set guidelines and standards before the devices and services are released to the public. This also gives the clients operating within the industry a chance to see a fully functional example of how the devices and services can be used. This is made explicit through the Microsoft IT Showcase program, in which Microsoft IT demonstrates how Microsoft does IT internally. Clients are often very interested to see how the devices and services were intended to be used, and can learn this from Microsoft's demonstrations. To be the best in the era of services, business processes are design to operate in real-time.

4.3 New World of Work

"At Microsoft, [they] believe that we are moving very quickly from flexible working to a New World of Work, in which redesigned offices and the latest technology facilitate even greater flexibility that makes our working lives easier and more manageable" (Andersen, 2013, para.1). From this description alone, one can conclude that Microsoft themselves classify their New World of Work (NWOW) initiative as within the context of flexible working arrangements – albeit taken to another level. The initiative is marketed as consisting of three core dimensions: people, places, and technology.

4.3.1 People

"Modern society's mental approach to technology is shifting as new digital tools become commonplace, enabling us to work and communicate in different ways" (Andersen, 2013, para.3). As people are increasingly being given a central role in both the business and customer perspective of commerce, new ways of working are following these trends. From the business side, people are being given more knowledge intensive jobs as an increasing amount of tasks are being automated. From the customer

perspective, the consumerization of IT and other industries are putting people at the center of the value creation equation. Central in this dimension are concepts of enabling work-life balance and creating a family-friendly workplace.

4.3.2 Places

"We are increasingly working on the move – from airports, other offices, during the commute or from home – meaning that we have become more fluid in terms of our physical presence" (Andersen, 2013, para.3). As work can now be done anywhere with an internet connection, physical presence has become less important in everyday tasks. Work has gone from a strictly office-situated task to one that can be performed anywhere at any time of the day. Having enabled work to be performed from an increasing number of places, focus has shifted towards providing a fluid working-experience when constantly on the go to make best use of the available time. The central concept in this dimension is to create a workplace that facilitates collaboration through better physical interaction and activity-based work.

4.3.3 Technology

"Thanks to advances in technology the idea of the office as the primary work location is being challenged as we evolve the idea of being able to work any time, any place and anywhere" (Andersen, 2013, para.3). As technology advancements challenge the established practices, the ways and places in which people do work evolve. They enable the flexible work of people, and provide new means for collaboration in work places. The use of technology is today a must, and competitive advantages are achieved from its most intelligent usages. Central to this dimension is the concept of virtual presence, as technology enables employees to connect from anywhere and at any time.

These three dimensions are combined to provide the organization and its employees with a working environment that enables effective work from anywhere. At the center of this initiative lies trust, as the empowerment that comes with these new practices require employees to manage themselves to a greater extent. To enable such practices, employee effectiveness and performance is measured in output instead of the number of hours spent in the office. The initiative claims multiple benefits: "for businesses both large and small it leads to increased productivity, as well as an improved ability to attract and retain the best talent. Greater flexibility for employees results in higher satisfaction and quality of life and, for the environment, less unnecessary traffic and thus reduced CO2 emissions" (Andersen, 2013, para.6). In line with the argument that "not all FWAs are suitable for every organization because they have to be in line with the organization's strategy, objectives and structure" (Stavrou, 2005, p.926), Microsoft agrees that "There is not a one-size-fits-all solution however. Each organization must embark on its own journey towards the physical and mental changes that will best define its New World of Work" (Andersen, 2013, para.7).

4.3.4 Initiative Timeline

In the third quarter of 2011, the NWOW's pilot study was initiated at the Akalla office of Microsoft Sweden, and concluded at the end of the year. During the first half of 2012, the organization was restructured to meet the coming changes, and in second the office was rebuilt to reflect these changes. In the first quarter of 2013, the organization moved back into the new office, and in the second the initiative entered the evaluation and adjustment phase. It was for this reason that this researcher, and a number of other students from around the country, were chosen to write their Bachelor and Master's theses on the initiative. (Presentation, 2013-01-29)

4.4 The Informants

The informants of this study consist of eight managers from Microsoft's Akalla office.

One of the informants is the Director of Sales, whom is responsible for the Public Sector and manages a group of 30 account managers and specialists. She has been working in Microsoft for seven years, but started working with sales directed toward large Private Sector clients for four years before moving into the Public Sector of sales. Before her career in Microsoft, she worked at IBM for twenty years in a variety of roles. She started as a systems engineer in the early 1980s, but soon realized that she was better suited for sales. On the sales side of IBM, she mostly worked with banking and insurance organizations, but had other roles such as Consultant Manager, Sales Manager, Sales Director, and HR Director at IBM.

Another informant is the Director of Services, whose responsibility includes all tasks related to consulting, support, and services concerning their software. The Services organization currently consists of 147 employees that deliver to the largest clients. He has worked at Microsoft for two and a half years, after giving up his position at a company he and his friends had started. Before this, he managed the Swedish operations of Avanade, a co-owned business between Microsoft and Accenture, after spending eighteen years at Compaq and HP.

Another informant is currently the Principal Manager of User Experience in Microsoft IT, and is thereby positioned in Germany. Before this, she managed the IT infrastructure in Central-Eastern Europe and Middle-East Africa as an Area IT Manager. She also ran the NWOW program for eighteen months.

Another informant has been the Internal Project Manager for the NWOW initiative in Sweden, which is called 'Det Nya Arbetslivet' (DNA) in Swedish. She has been the Marketing Director on the business side for six years, and was involved in starting up the consumer-equivalent organization. This organization, then called 'Consumer & Online', operated for three years before being integrated into the regular organization. When she worked on the business side of marketing, she worked closely with the Dutch Marketing Director, whom was the pioneer behind the remodeling of offices to better realize the NWOW vision.

Another informant is the IT Manager of Sweden, Norway, Finland and Iceland. In this role, he is responsible for all IT infrastructure – meaning networks, software rollouts, and basically all the operations that enable people to come to the office and work. Apart from these practical responsibilities, his role also involves budget management and procurement etc. He manages four employees in Akalla – two technicians and two pull-resources.

Another informant is the Real Estate and Facilities Manager at the Akalla office, and is thereby part of the Common Functions in Microsoft Sweden. In the NWOW initiative, she has managed the building process of the new office, and all of the relations that come with this. As a Facilities Manager, her role is to make sure that everything in the facilities is operational. So whether it be cleaning services, coffee and drinks services, or other maintenance – she is responsible for its maintenance. As a Real Estate Manager, she also manages the relations with landlords, and lays the long-term strategy for office location.

Another informant is the HR Director at the Akalla office, whom has held this position for 2 years. She manages the HR function, which consists of three HR Business Partners, two Recruitment Managers and one administrative resource. The Business Partners are generalists whom support the different organizations with everything from recruitment to termination, and the entire employment period between. In this role, they support the managers with processes and tools to be able to lead and support

their staff. The Recruitment Managers deal solely with recruitment, and the administrative resource manages all the transactional aspects of HR operations.

Another informant is the Chief Financial Officer of Microsoft Sweden, whom is thereby responsible for the Swedish business in terms of financials. In other words – financial planning, reporting, and steering of the monetary funds. His secondary responsibilities include Facilities as it is strongly connect with finance and administration. He is also part of the NWOW steering team, and has spent a lot of time considering how to measure and calculate the business case behind the initiative.

4.5 The Researcher

The researcher has through his studies at Stockholm University (Bachelor Program in Computers & Systems Sciences and Master's Program in Strategic IT Management) performed several studies on the strategic alignment of Business and IT strategy in organizations. The researcher has no previous relationship with, nor interest in promoting or demoting, Microsoft or the NWOW initiative.

5 Results

In this chapter the results specific to the case are presented. By addressing the NWOW dimensions separately, their collective presentations answer first two research sub-questions. In the final section, a generalization of the findings is made, so as to answer the third research sub-question and address synergies and inter-relationships among the dimensions.

BSCs, STs, and an SM will be used to illustrate the results, and a few notes about their presentation is warranted. In the BSCs, the 'Target' column has been kept (even though it is not part of this research to populate it) to retain the structural integrity of the model and promote the quantification of goals in the future. The models' perspectives have been color-coded (the Financial perspective is green; the Customer perspective is red; the Internal Business perspective is blue; and the Learning & Growth perspective is orange) to simplify cross-references among illustrations. In the STs and the SM, arrows can be read as 'contributes to' when crossing perspectives, and 'in terms of' when internal to perspectives.

5.1 People

This section presents the results related to the People dimension of NWOW. The Learning & Growth, Internal Business, and Customer perspectives are illustrated and their inherent capital, components, and goals are discussed.

5.1.1 Capital

This section presents and discusses the People dimension's human, information, and organization capital.

Table 2 - People dimension's BSC Learning & Growth perspective.

Learning & Growth			
Group	Goal	Measure	Target
Human			
	Enhance	Individual Scorecards	
	Enhance	Commitments	
	Enhance	Training	
	Enhance	Values & Culture	
Information			
	Enhance	HR Web	
	Enhance	Learning Central	
	Enhance	MS Poll	
Organization			
	Enhance	Performance Management Process	
	Enhance	Development Approach	

<u>Human</u>

The corporate scorecard is broken down into regional scorecards for subsidiary organization. These are in turn broken down into scorecards for the different business units and functions. These are then broken

down into individual scorecards, so that employees can easily see where they are meeting their goals and where they are not.

Commitments are personal development objectives, which are personalized for each employee and their chosen career path. These ensure that employees are enhancing not only job-related, but also personal aspects of their working life. These commitments are along with the scorecards followed up monthly with management, to ensure a steady development in both areas.

As mentioned above, there are a number of training programs available for employees. These are encouraged to shorten the time it takes for employees to feel comfortable in their role and organization. There is also a large amount of regular training courses to attend in the 'Learning Central', which aim to ensure staff competency development. (Presentation, 2013-01-29)

Finally, the People dimension lays much focus on the Microsoft values and culture. Six main values are stated: 1) integrity and honesty, 2) open & respectful, 3) big challenges, 4) passion, 5) accountable, and 6) self-critical. What this creates is a staff that "are really passionate about the technology, engaged and enthusiastic, independent and goal-driven – competitive people!" (Quotation from Interviews).

Information

As mentioned above, the Learning Central is an information system that provides employees with a supply of courses. This is the largest single repository of personnel training resources, although offerings can come from various parts of the organization. (Presentation, 2013-01-29)

The other central information resource that the People dimension has, is the HR Web. This is the portal that connects all HR-related information for employees. (Presentation, 2013-01-29)

The perhaps most useful information resource that the People dimension has to work with however, is the MS Poll survey. The poll is structured around three main indices: 1) Work Group Health Index, 2) Microsoft Pulse Index, and 3) Microsoft Culture Index. These are in turn broken down into sub-indices, and some fifty questions are created for their evaluation. The survey is performed annually in February. (Presentation, 2013-01-29).

Organization

The Performance Management Process is a structured approach to "deliver results, the right way" (Presentation, 2013-01-29). The process starts with Commitments Setting, which are realigned through monthly 1:1 meetings with management. Then there is a Mid Year Check In, where a more throughout follow-up and evaluation is performed. The process is the same for the next half of the year, until it arrives at the Annual Performance Review. Throughout the entire process, managers and employees engage in ongoing dialogue outside of the scheduled activities. The reviews are structured according to 1) what was delivered, 2) how it was delivered, and 3) whether more than required was delivered. (Presentation, 2013-01-29)

The People dimension also has a model for its Development Approach. In this model, formal training consists of only 10% in the form of self-study through books and online resources. 20% of development is said to come from learning from others, such as managers and mentors. The remaining 70% of the learning is attributed to job experiences, such as business events, projects and assignments. (Presentation, 2013-01-29)

5.1.2 Components

This section presents and discusses the People dimension's components.

Table 3 - People dimension's BSC Internal Business perspective.

Internal Business			
Group	Goal	Measure	Target
Routines			
	Provide	Management by Objectives	
	Provide	Activity-based work	
	Provide	Feedback	
	Provide	Employee Introductions	

The main role of the People dimension (and the HR function) in the NWOW initiative is to provide existing and new employees with the routines that enable effective and efficient work through the Place and Technology dimensions. This can in turn be divided into four main components:

- *Management by Objectives,*
- *Activity-based Work,*
- *Feedback, and*
- *Employee Introductions.*

Management by Objectives

One of the founding components of the NWOW initiative is their management by objectives system, which is built on scorecards cascaded throughout the entire organization. For the freedom and flexibility that NWOW offers to be manageable, it is essential that employees be guided by clear objectives and goals, since their managers are not constantly looking over their shoulders to see if they are working. According to one manager, goal management and follow-ups are key. This makes one wonder if NWOW is actually applicable to all types of organizations, as certain jobs are perhaps more easily managed through such a system. To this, one manager said "in service providing companies, I don't really see why it shouldn't work, I mean goal management and so on. But then, and again you have to define, but in healthcare and nursing – I mean this is of course not reasonable – it's just not going to work, I mean it's not going to work in this way" (Quotation from Interviews).

Feedback

A connected component is that of feedback, because without feedback, objectives cannot be said to be *managed*. At the Akalla office, two types of feedback are of interest in NWOW. Firstly, employees are given monthly feedback in accordance with their job-related goals, and their personal development commitments. This is a crucial part of making management by objectives work. Secondly, as part of the NWOW initiative in Akalla, the managers arranged feedback workshops for the sub-organizations, to allow employees to voice their concerns – what they believe it's going to be like to live and work in NWOW. After the implementation stage of the project, these were then brought back to reflect on the changes that were made, and what has worked well and what has worked less well.

Activity-based Work

A second, very fundamental component of NWOW, is the activity-based work in the office. At the core of this component, lies the idea that the nature of a job should decide its manner of execution. The most basic example is – am I going to have any meetings today, or can I just focus on my work at home? This very basic idea that bleeds into both the Place and Technology dimensions, but the human behavior

starts with the People. Here, it is not about what actual type of work station I utilize, or that I can work from a client site using my mobile devices – it's the mere understanding on an individual level, that *how* I perform work should be decided by the nature of the job.

Employee Introductions

Finally, a lot of the People dimension's work has been centered on how to introduce new employees to this new working environment – where structure is less obvious, and socialization may come in different ways than what people may be used to. As part of this routine, a number of training exercises are performed. For example, START – is the first welcoming experience given, and Kick-Start – is the new employee orientation of the campus. Then you have the Role Guide, which provides you with clear instructions as to what your employer's expectations are of you as an employee, and Meet the Management is jokingly referred to as a type of speed dating with different team activities where the employee is introduced to the social aspects of the office. (Presentation, 2013-01-29)

5.1.3 Goals

This section presents and discusses the People dimension's goals.

Table 4 - People dimension's BSC Customer perspective.

Customer			
Group	Goal	Measure	Target
(Existing) Employees			
	Increase	Freedom with Responsibility	
	Increase	Flexible Working Arrangements	
	Increase	Sense of Contribution	
(Future) Employees			
	Increase	Integration	

From the People dimensions point of view, the value proposition towards existing employees consists of three components:

- *Freedom with Responsibility,*
- *Flexible Working Arrangements, and*
- *Sense of Contribution.*

Freedom with Responsibility

For management by objectives to work, employees must realize the responsibility it requires. This component really capture the essence of what the People dimension offers its customers. "Basically it's about being able to work flexibly – really to be able to work in the way that is best suited for every given situation" (Quotation from Interviews). But being given this freedom also means an equal amount of responsibility. The idea of course is that this freedom will result in employee satisfaction, which in turn will lead to higher productivity. One manager said "all research says that if I am healthy and happy, I will also become more productive" (Quotation from Interviews). It is unclear whether this is actually the case, but the idea is certainly arguable.

Flexible Working Arrangements

The idea behind the activity-based work in NWOW, is to provide extended flexibility in working arrangements. So how exactly are working arrangements made flexible for employees in NWOW? In a

nutshell, it is about being able to choose when, where, and how to work perform work. When, because I can do my individual work in the middle of the night if I so please. Where, because I can choose whether to perform my individual work from home, in the office, or at some other site that suits the purpose. And how, because I am given a plethora of different work stations in the office that I can choose from depending on the nature of my work.

Sense of Contribution

The reason for the multitude of feedback channels employed in the office, is to enable two-way contribution. Firstly, the management by objectives system makes it extremely easy to see how an employee has performed. The cascaded scorecards makes enables employees to see how they contribute to the holistic perspective. Employees that have left Microsoft for other organizations complain that "'Nobody even knows what I am doing! We have performance reviews once a YEAR'" (Quotation from Interviews). It is obvious in this statement that the employee does not feel like he or she is contributing. But with proper feedback routines in place, employees get a reassuring sense of contribution.

In terms of the value proposition toward future employees, one additional components can be added:

- *Integration.*

Integration

The employee introductions provided aim to integrate new personnel into the organization. With the free seating policy, a lot of the structure that people are used to dissipates, and therefore needs to be compensated for in certain aspects. For example, arriving as a new employee in an office where there is no clear place for you, can result in a sense of outsiderness. Because functions have no specific area where they hang out, and it might be hard to find the few people that you have had contact with previously, measures taken towards integration are extremely important. One manager had tried to counteract this explaining, "every Friday morning you can see in all of our calendars that we meet up in one place for a coffee, not that we do anything special but we meet in one place. And sometimes we are two there, and sometimes we are fifteen, and sometimes we are five – but just knowing that this happens" (Quotation from Interviews). Both formal and informal meetings are of great importance for new employees to be integrated properly.

5.2 Place

This section presents the results related to the Place dimension of NWOW. The Learning & Growth, Internal Business, and Customer perspectives are illustrated and their inherent capital, components, and goals are discussed.

5.2.1 Capital

This section presents and discusses the Place dimension's human, information, and organization capital.

Table 5 - Place dimension's BSC Learning & Growth perspective.

Learning & Growth			
Group	Goal	Measure	Target
Human			
	Provide	Requirements Gathering	
	Provide	Change Management	
Information			
	Provide	Workplace Advantage Survey	
Organization			
	Provide	Workplace Advantage Program	
	Provide	Evacuation Area	

Human

In terms of human capital, the Place dimension ensures its effectiveness through use of rigorous requirements gathering. Here, polls and surveys are considered, as well as the results from previously mentioned feedback workshops – to provide understanding of the employees' requirements.

One area that has proven crucial in the NWOW initiative, is the change management. It is no secret that some employees are not stoked about the free seating policy. One manager explained it by saying, "Have we lost some employees during this initiative? I'm sure we have, because some people cannot handle the new environment. But if you can't do this, then you're not right from Microsoft either. [...] This is what we are, and this is why we've called it DNA" (Quotation from Interviews). To deal with the resistance to change, it has been important to be clear about this and make sure that people take responsibility for their own problems. Because it's very easy for people to blame someone else, but this has not been tolerated.

Information

The most important information resource apart from regular polls, is the Workplace Advantage Survey. This is a survey that has been specifically constructed to evaluate how employees feel the new office supports them in their work.

Organization

A connected resource is the Workplace Advantage program, which aims to provide guidelines for "designing the best workplace to meet the needs of the people and drive the business forward" (Workplace Innovation Group, 2012, p.2). The program realizes that one size does not fit all, and that offices need to be adapted to the type of work which they internally perform. The program has identified five main types of work styles.

5.2.2 Components

This section presents and discusses the Place dimension's components.

Table 6 - Place dimension's BSC Internal Business perspective.

Internal Business			
Group	Goal	Measure	Target
Renovation			
	Provide	Floor Themes	
	Provide	Free Seating	
	Provide	Work Stations	
	Provide	Office Tours	
	Provide	Shrink Office	

The main role of the Place dimension and the Facilities function in the NWOW initiative is to provide a purposeful office space that meets the requirements of employees' work. This can be divided into five main components:

- *Floor Themes,*
- *Free Seating,*
- *Work Stations,*
- *Office Tours, and*
- *Shrink Office.*

Floor Themes

Each floor in the new office has its own theme, and within floors there are different sections. When recreating the office, the goal was to construct something that could be connected with the employees' daily lives – so the overall theme became 'the city'. Within this main theme, floors were given individual sub-themes. The office consists of six floors, of which the top floor is yet to be opened. Floor 0 consists of the Business District, Town Square, and Main Street. On this floor they have the lobby, the waiting area, and the food court. Floor 1 and 2 are called the Cultural Center and the Park – and are two general purpose areas. Floor 3, called the Central Station, has a specific zone called the Sports Bar – within which music and socialization is highly encouraged. Floor 4 however, called the Harbor, houses a quite zone called the Aquarium. Floor 5 has been named the Airport, but it is yet unclear how this area will be put to use.

Free Seating

The free seating policy means that employees can sit wherever they chose. Employees have no assigned seats – except for front desk and goods receptionists, as well as IT support technicians. Although there is really not much more to explain about this component, it is one of the most central in the initiative. The policy has been met with varying response from employees, something which one manager explains as being something employees need to learn – which is why Change Management has been deemed so crucial in the NWOW initiative. As individuals, many people enjoy having a private desk to put family photos on etc. In the Akalla office, employees have been supplied with a small personal locker, so that some personal belongings can still be kept at the office.

Work Stations

To support the free seating policy, the work spaces needed to change as well. First off, the previously 650 desks have been reduced to 300 'work stations' (Presentation, 2013-01-29). In their global

Workplace Advantage program "Microsoft has set aggressive goals to decrease individual space [31% to 18%], and increase collaboration space [24% to 35%]" (Workplace Innovation Group, 2012, p.3).In the Akalla office, this has meant that desk space has decrease from 58 to 23% of the total space, the previously eighty-two conference rooms have increased to 136, and the customer area has been increased from 14% to 24% of the total space (Presentation, 2013-01-29). Within the office, six main work stations were chosen to support the type of work being performed in the office. Apart from these main stations, around seventy different spaces exist to create variation and encourage innovation and collaboration among employees.

Office Tours

Because most of the other aspects of NWOW are either intangible or digital, the Place dimension is the leading actor in office tours. The office tours provide visitors with an example of how work can be performed in the new environment. When arriving at the Akalla office, most people are stunned with the mere looks of the place. Due to the huge interest in the NWOW initiative, the office has many visitors whom come to experience NWOW in action. In Holland, the new office is said to draw around 55 000 visitors each year, but these figures are yet to be collected in the Akalla office.

Shrinking Space

Even though it does not seem like it – the new office has actually been shrunk in size. Previous to the renovation, as much 75% of the desks in the office were empty at any given time. This was because sales staff were constantly on the move, and spent little time at their assigned seat. Therefore, the office's size has been decreased by 30%. The office is then designed according to the representation of different work styles in the office, which also plays a role in the percentage of free seating employed.

Another point that can be lifted under organizational capital is the utilization of the evacuation area during the renovation process. It may seem trivial, and it is a one-shot deal, but the usage of this area proved to be quite significant to the change management process. One manager said,

> "For me it was important that it hurt a little bit during the evacuation time. Because I had a discussion with the leadership team whom wanted us to rent some evacuation space, but I felt that 'But, then we are going to be stuck in the old. We want to go towards the new!' So we have to use the evacuation period as part of the change process, as part of the journey" (Quotation from Interviews).

And so they did. This in turn resulted in people thinking outside of the box, finding new ways to work with the space that they had.

> "There were lots of people having meetings out in the yard on every single bench. You could see people going for walks because they had Walk-to-Talk meetings. We had people sitting in the cars and having telephone meetings. We had people who contacted their suppliers and agreed to borrow some space for a number of hours or days a week at ours partners' offices. So people found a lot of creative solutions, and it created commitment and energy for the change" (Quotation from Interviews).

5.2.3 Goals

This section presents and discusses the Place dimension's goals.

Table 7 - Place dimension's BSC Customer perspective.

Customer			
Group	Goal	Measure	Target
Employees			
	Increase	Freedom of Choice	
	Increase	Cross-Functional Communication	
	Increase	Cooperation	
Clients			
	Provide	Proof of Concept	
Environment			
	Decrease	Building	

From the Place dimensions point of view, the value proposition towards employees consists of three components:

- *Freedom of Choice,*
- *Cross-Functional Communication, and*
- *Cooperation.*

Freedom of Choice

The main idea behind the floor themes component explained previously, is to give the employees a working space that enables them to choose an environment depending on the work to be done, and the mood that the person is in. For example, if I'm in a chatty mood, I might want to sit in the Sports Bar area, where music is playing and verbal communication is encouraged. If however, I'm really in the need of some quite space to concentrate, I might sit down in the Aquarium instead – a completely quiet zone. Enabling choice in such a way, should allow employees to perform work more effectively.

Cross-Functional Communication

Behind the free seating component lies two main goals: stimulating cross-functional communication, and cooperation in general. The cross-functional communication aspect allows employees to gain insight from previously unseen perspectives. As one manager said

> "Take me for example, who's been here for almost eleven years and always been a part of Finance. I've always sat and listened to Finance – very pleasant people, but not so much input in the core business really. Today, I sat next to two Sales people and listened to their conversations, and it gives me so much energy, and it gives me a pride in our company that I haven't had before – simply because I haven't known it well enough before" (Quotation from Interviews).

The idea is that this cross-functional communication will facilitate a wider understanding among employees, so that opinions and decisions can be based on a variety of perspectives.

Cooperation

Cooperation is generally encouraged by the increase of cooperative space, and the decrease of individual space within the office. The six main work stations were chosen to facilitate in the solving of a broad spectra of problems, or in the performance of a variety of jobs. For example, some areas are cubicle-like, for when the job is largely individual. Other areas are open and invite for collaboration, so that

team-based jobs can become easier. Having these work stations available encourages employees to make use of them when cooperation is key to the job at hand.

In terms of the value proposition toward clients, one additional components can be added:

- *Proof of concept.*

Proof of Concept

The office tours provide clients with a proof of concept – an illustration of how NWOW looks in practice. In doing so, it encourages clients to think differently of how their business operates, and consider what aspects of the NWOW initiative they could in turn make use of. For Microsoft, this has become a source for exposure, and has drawn a huge amount of visitors to the office. Like one manager said,

> "During my ten years it's been uncommon that companies called and said 'Can we come visit?', 'Can I bring the Board?', 'Could you dedicate two hours?', or 'Could you explain your reasoning, we are very interested!'. And I don't think very many companies have this business model, that it's all that common. And now it's happening here!" (Quotation from Interviews).

Finally, a few words should be said about the value proposition towards the environment, which is really centered on:

- *Building.*

Building

Because a lot of space was previously unused in the office, the new office has been shrunk, and is still not close to full in terms of capacity. This is perhaps the most significant aspect of NWOW in terms of cost reductions, as a smaller office space naturally results in less rent to be paid. Indirectly, this also means that less space needs to be cleaned, lit, and facilitated in general. Apart from shrinking the office by 30% – which in itself would have huge effects on the construction market and conversely the environment if applied to the whole industry – the new office also allows for a certain scalability. Because there of the free seating policy, it is possible to clump people together more during e.g. the summer months, so that other floors can be closed down temporarily.

5.3 Technology

This section presents the results related to the Technology dimension of NWOW. The Learning & Growth, Internal Business, and Customer perspectives are illustrated and their inherent capital, components, and goals are discussed.

5.3.1 Capital

This section presents and discusses the Technology dimension's human, information, and organization capital.

Table 8 - Technology dimension's BSC Learning & Growth perspective.

Learning & Growth			
Group	Goal	Measure	Target
Human			
	Provide	Online Training	
	Provide	Online Presentation	
Information			
	Provide	IT-WEB	
	Provide	Internal Portal	
	Provide	N-SAT	
Organization			
	Provide	Work Smart	
	Provide	3 Devices Program	

Human

The main way the Technology dimension has to develop its capital, is through training and courses. "An online course is, especially for people here since they are so busy all the time, instead of going to a specific place you can sit anywhere and take the course, even at home. So this makes it possible, if you are out traveling or at home [...], you can do it without being at the office" (Quotation from Interviews). This extends the reach of NWOWs mobility from work to training as well.

A related subject is the online presentation functionality that is utilized. If there is need for a specific competency that is not available in the office, "There is an enormous resource pool inside the organization that we can utilize" (Quotation from Interviews). By use of online presentations, specialists from all around the globe in the Microsoft Corporation can be brought in virtually to provide insight into niche subject matters. This allows for knowledge sharing across offices and regions, and provides a second approach as to how the IT function can develop its human resources.

Information

When it comes to information capital, the main information system utilized by the Technology dimension is IT Web. This is the main knowledge repository and "basically everything worth knowing is available here. If you go there and search for something, some problem or where to turn when I want to do this, or create this – then you go search IT Web and you will almost always find something" (Quotation from Interviews).

Apart from this, the IT function also has an internal portal that houses the technical content relevant to the IT operations of the office. This is what differentiates it from IT Web, which is for everyone.

Finally in terms of information, the Technical dimension of NWOW utilizes the N-SAT survey to obtain feedback from internal customers. N-SAT asks questions about all types of services that IT provides, such as Lync communication, SharePoint file-sharing, or helpdesk in general. The survey is distributed to a large number of users within the region to discern how happy they are with their IT functions.

Organization

If IT notices in the N-SAT surveys that a certain service is scoring poorly, they use Work Smart sessions to target the poorly performing area. "Microsoft IT created Work Smart productivity guides to bridge the gap between technology and users. Work Smart guides provide employees with scenario-based, best-use productivity aids on Microsoft products and technologies" (Microsoft TechNet, 2013, para.1). It is a structured approach to developing the organization.

Finally, the 3 Devices Program is an initiative that aims to strengthen the Windows 8 ecosystem within the organization. In the program, all permanent employees at Microsoft are given a smartphone running Windows Phone, a new PC running Windows 8, and a Surface running Windows 8 RT. Through this initiative, the IT function encourage the use of the productivity tools provided.

5.3.2 Components

This section presents and discusses the Technology dimension's components.

Table 9 - Technology dimension's BSC Internal Business perspective.

Internal Business			
Group	Goal	Measure	Target
Services			
	Provide	Ticket Service	
	Provide	Secure Printing	
	Provide	Showcase	
Hardware			
	Provide	PC Refresh	
	Provide	Borrow IT	
Software			
	Provide	Cloud Services	

The main role of the Technology dimension and the IT function in the NWOW initiative is to provide the software, hardware, and services which enables the new working arrangements in the new office. In terms of software, the main component related to NWOW is:

- *Cloud Services.*

Cloud Services

Because the Akalla office is mainly an S&M organization – no R&D is performed internally. Therefore, the organization has little to do with any *development* of any Microsoft hardware products (such as Surface) or software products (such as Office365). However, the NWOW initiative has incurred that many of the software packages are being turned into cloud services. "Most SharePoints are placed in the cloud. We are looking at moving Exchange, and this is done step-wise according to plans from Redmond. So this is the goal, everything is to be placed in the cloud, which makes us a little bit less vulnerable in some areas than before" (Quotation from Interviews). Apart from SharePoint and

Exchange, software such as Lync and Office365 are quite central to the NWOW initiative. Lync is utilized for its communication capabilities, and Office365 for its productivity tools in general.

In terms of hardware, two main components exist:

- *PC Refresh, and*
- *Borrow IT.*

PC Refresh

To enable employees to live a more flexible working life in line with the NWOW vision, mobile devices have been distributed through a PC refresh program called '3 Devices'. In this program, each employee is given a new laptop, smart phone, and a Surface tablet. Previously, the 'Bring Your Own Device' policy has been applied, which has grown to be a common practice within large organizations such as Microsoft. By providing employees with mobile devices that are all running Windows 8, Windows Phone 8, or perhaps Windows RT – this enables more productive use of the software ecosystem that is central to the NWOW routines.

Borrow IT

Along with the ticket service, a program called Borrow IT has been initiated. This replacement service allows employees (or external customers) to borrow devices when at the office. This is useful when e.g. their own device is being serviced, or a customer wants a specific demonstration during a visit. This initiative is part of the so called IT-TECH-LINK program, which aims to brand Microsoft offices similarly in terms of devices used. As is obvious from the name, the idea is to create a solid link between the IT function and the technology used within the organization.

Apart from these two main hardware related components, a few words can be said about the office's infrastructure in general. Keeping networks (such as LAN/WLAN) functioning is perhaps the most crucial role of the IT unit. They also make sure that A/V equipment (such as TVs and projectors) are functioning correctly. In terms of data, the unit also makes sure that information systems (such as HR Web) are available. In terms of software, regular rollouts of packages are managed by the IT unit as well.

And in terms of services, these can be broken down into three components:

- *Ticket service,*
- *Secure Printing,*
- *Showcase.*

Ticket Service

Some interesting changes have been made to the IT support unit, among which the ticket service has been internalized. Previously, the IT function was quite isolated – it was a closed room with one person outside letting one person in at a time. Employees had to create service tickets through which they were to be supported in IT-related troubles. In NWOW however, the IT function takes care of all this for you, and now provides face-to-face contact when seeking support. Previously, the unit never took on any software-related issue, but do so today as far as possible before escalation.

Secure Printing

To encourage a paper-less office, IT has implemented so called 'Secure Printing' routines. This means that a passcode has to been set for the printers within the office. To be able to collect your printed documents, you must enter the passcode at the printer – or the job will be moved to a pending queue for an hour, and will thereafter be removed completely.

Showcase

Microsoft's IT Showcase has been around for a while, where the IT function travels around and show organizations how Microsoft does IT. In NWOW however, this has been internalized as well, by providing showcasing rooms for customer visits. This often makes use of online presentation functionality, so that e.g. an IT Security specialist in Redmond can explain a new security aspect in the new cloud-based Office365 product suite.

5.3.3 Goals

This section presents and discusses the Technology dimension's goals.

Table 10 - Technology dimension's BSC Customer perspective.

Customer			
Group	Goal	Measure	Target
Employees			
	Increase	Mobility	
	Increase	Face-to-Face Contact	
	Increase	Software Services	
	Increase	Infrastructure Availability	
Clients			
	Increase	Demonstrations	
Environment			
	Decrease	Waste & Pollution	

From the Technology dimensions point of view, the value proposition towards employees consists of four components:

- *Mobility,*
- *Face-to-Face Contact,*
- *Software Services, and*
- *Infrastructure Availability.*

Mobility

The essence of the Technology dimension's role in NWOW pertains to the mobility that it enables. Both software and the hardware that it runs on plays a role in the mobility that permeates NWOW. The idea behind the PC refresh program is to provide mobile devices to employees, which run the productivity tools they encourage. At the same time, cloud services simplify content sharing in the Windows 8 ecosystem. Together, the software and hardware enables the mobile work behavior, such as virtual meetings, that NWOW rests on.

Face-to-Face Contact

In NWOW, communication between people have generally been emphasized, and IT is no longer an exception. Instead of complicated service ticket systems, the support service is now being managed through face-to-face contact between employees. And

> "people are very happy! I think that one prefers to, if having problems, come and talk to someone instead of going into a system and trying to figure out how do create a ticket, and then suddenly something is wrong with the ticket, and it gets sent back and forth within IT. Now they come directly to an IT technician, who simply helps them. If this person cannot help, we escalate. The customer doesn't really have to do anything but show up and talk" (Quotation from Interviews).

Software Services

In terms of software services, the Technology dimension provides Microsoft performs much of its own alpha and beta testing, and considers themselves their first and best customer. Therefore, part of the Technology dimension's role in NWOW is to keep software up-to-date through controlled rollouts, so as to enable as much functionality as possible. Even though no R&D is performed in the Akalla office, the role of software is quite central in NWOW – it is the interface between devices and humans that enable the provision of services.

Infrastructure Availability

As the Technology dimension and IT function is the great enabler, infrastructure availability is of great concern. One important point to recognize is that the more things are automated, computerized, digitized – the more things fail when service is disrupted. So even though this component is not necessarily new in NWOW, its importance is made even more crucial through it. In fact, "Uptime is absolutely most important" (Quotation from Interviews).

Moving on to the Technology dimension's value proposition toward clients, one additional component can be mentioned:

- *Demonstrations.*

In cooperation with the Place dimension's office tours, devices are often put up for demonstrations. In this cooperation, it is the Technology dimension's role to supply the devices, and to demonstrate the capabilities that they possess. This gives clients a chance to get acquainted with the devices promoted in the NWOW, which in turn leads to more exposure of the new tablet/PC lineup in Microsoft's own product portfolio, as well as partners' smartphones running Microsoft software.

In terms of the value proposition towards the environment, the Technical dimension states one component:

- *Waste & Pollution.*

As mentioned earlier, the Secure Printing routine locked down printers with passwords to decrease paper consumption. This is one of the many measures taken to reduce the paper usage within the company. The paper-less society that is part of the NWOW vision, promises the environment a sustainable future organization which respects our planet's natural resources. As mobile devices and services make it possible for employees to work from home or at client sites, this results in the less pollution due to traffic. Firstly, travel can be decreased simply because it is not necessary that employees go to the office every day. As the NWOW generally promotes – work is not a place you go, it is something you do. So if one does not have any meetings scheduled, perhaps it is not necessary to go into work that day, which of course will lead to less travelling and therefore less pollution. However, it is also possible to avoid rush hours by working part-time from home. For example, "instead of sitting in traffic every day you can do a Lync call in the morning and drop in at 10:30" (Quotation from Interviews).

5.4 How do NWOW's goals align with Microsoft's business and IT strategy?

The goals of NWOW, are assumed to support some part of the business or IT strategy. In relation to the BSC, the goals are found in the Customer perspective. Strategy however, is found in the Financial perspective in the balance between productivity and growth strategy. Therefore, to discern how goals are aligned with business and IT strategy, we must examine the relationships between the Customer and Financial perspectives of the BSC.

Because the IT strategy at Microsoft is basically to align itself with business strategy, the following analysis will focus on the business strategy. And since IT is naturally responsible for the Technology dimension's part in NWOW, we will examine how they align with business strategy through this. However, since it is impossible to define a business strategy specific for the Akalla office without focusing on specific business segments and customer groups – this poses a problem for adapting the Financial perspective of the BSC. The P&L subset mentioned previously to be present in Microsoft's scorecards, could have provided a reasonable representation of the business strategy, but is sadly only present in the business units' scorecards. Instead of adapting the Financial perspective of the BSC, we will instead use the generic version as is. This enables a general discussion that abstracts away unnecessary product and customer-specific details, which in turn facilitates a more generic business case to be considered, making the analysis of more general applicability.

Table 11 - NWOW dimensions' BSC Financial perspective.

Financial			
Group	Goal	Measure	Target
Productivity			
	Decrease	Cost Structure	
	Increase	Asset Utilization	
Revenue Growth			
	Increase	Revenue Opportunities	
	Increase	Customer Value	

To demonstrate the alignment between the Customer and Financial perspectives of the BSC, we will however turn to the SM for illustration – as it entails the same perspectives, but enables a more intuitive presentation.

5.4.1 People

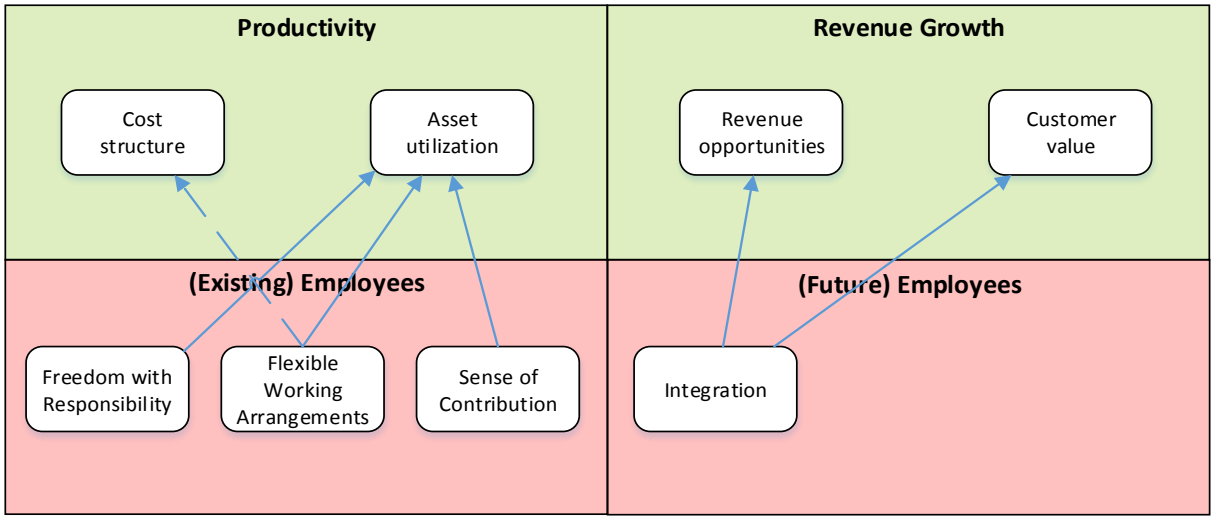

Figure 10 - People Dimension: Alignment between Goals and Strategy.

The perhaps biggest question from the People dimension's perspective is "How do we create more satisfied co-workers that contribute to a better result?" (Quotation from Interviews). Or as another manager explained, "The biggest source of income is in some way that we get co-workers whom increase their productivity. And since every company has a sales division, it is somewhere about increasing the possibilities for our sales and marketing organization to be more productive and effective, and in this way put in more time with sales work" (Quotation from Interviews). In other words, it is pretty clear: the logic is that by providing existing employees with the freedom, flexibility, and sense of contribution that NWOW offers, this will increase employee satisfaction, which in turn will increase asset utilization. One can also argue that the flexible working arrangements somewhere enables savings in the organization's cost structure. In terms of integrating new employees into the organization, this will undoubtedly lead to the possibility of this sales person to find new revenue opportunities, or increase customer value towards already existing clients.

5.4.2 Place

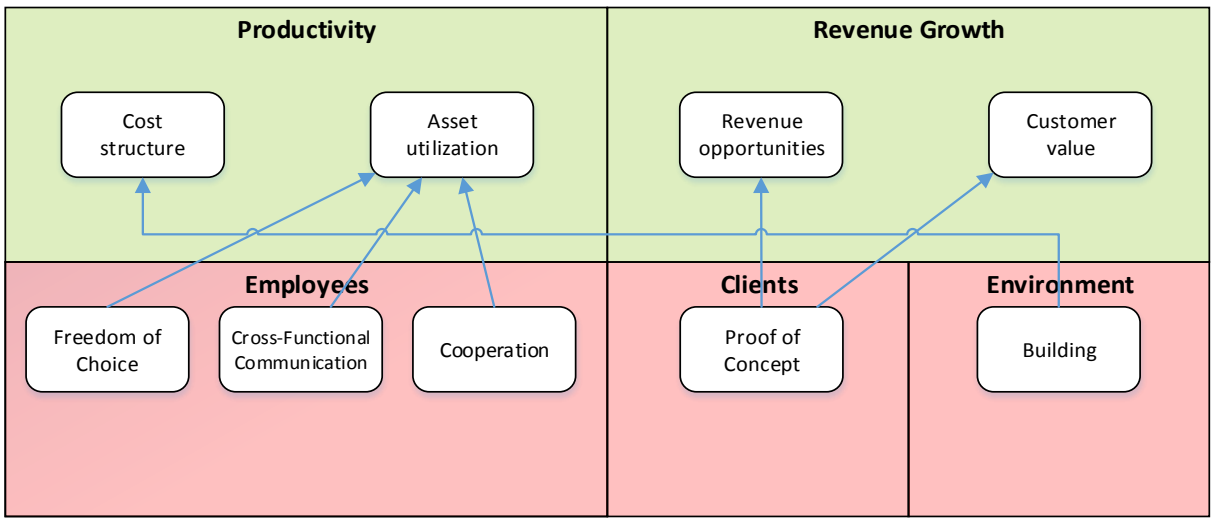

Figure 11 - Place Dimension: Alignment between Goals and Strategy.

From the Place dimension's perspective, the value proposition towards employees is all about asset utilization –

> "that you can create a workplace that better meets the requirements. Because I think that traditional workplaces don't really meet the requirements. […] And this is what I like about DNA, and this is what we've done when we conceptualized it in this way with floor themes […] that I have an environment that is inviting. And in it I become more satisfied, all research says that if I am healthy and happy, I will also become more productive" (Quotation from Interviews).

In terms of the value proposition towards clients, by acting as a proof of concept, NWOW creates customer value by setting an example. At the same time, the increased number of customer visits that this induces, also opens the door for new revenue opportunities for Microsoft's product and service lines. As for the value proposition towards the environment – even though such work is usually connected with CSR, building less also has a clear connection to decreasing costs related to facilities and real estate.

5.4.3 Technology

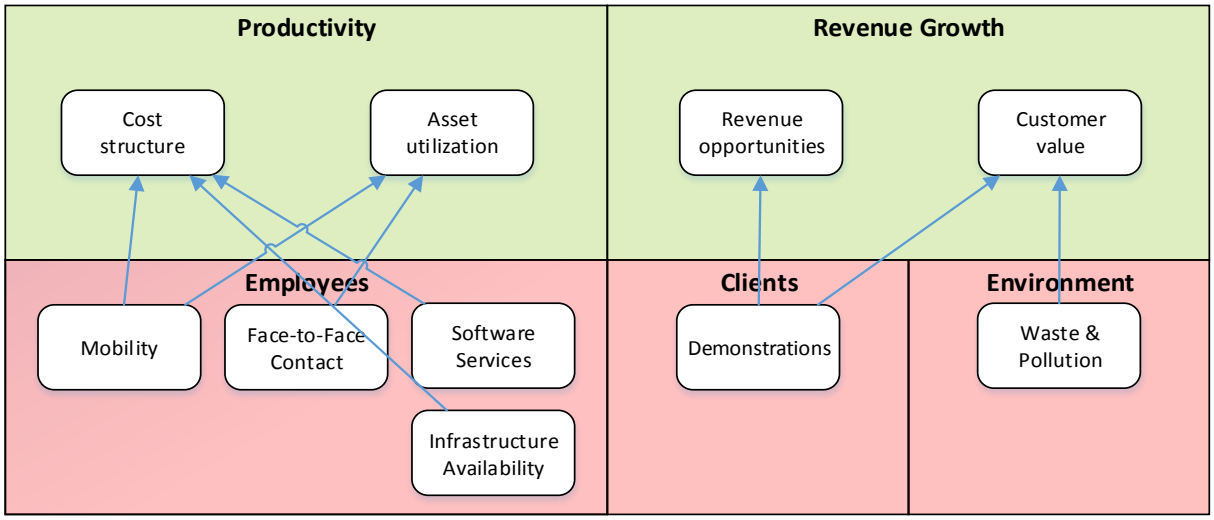

Figure 12 - Technology Dimension: Alignment between Goals and Strategy.

Finally, from the Technology dimension's perspective – it is more about decreasing costs. "So IT costs are one part of it, that if done correctly will absolutely reduce costs. Then maybe they invest in other IT, so that the IT budget in its entirety stays the same. But sure, the new technology with cloud services etc. makes this part cheaper – there is no doubt about that" (Quotation from Interviews). But technology also plays a much more fundamental role in NWOW as an enabler of all other aspects. The same manger also said, "but 'What is it that enables it?' Well somewhere it is the technology" (Quotation from Interviews). Other managers said, "And all this is possible with the help of technology" (Quotation from Interviews) and "If the technology is not in place it collapses" (Quotation from Interviews). It is clear that, apart from the cost saving aspect, technology also enables the increased productivity through the software, infrastructure and devices it entails. In terms of the value proposition for clients, this again increases the customer value by demonstrating how things can work. The exposure that this creates in turn leads to an increased number of revenue opportunities. As for the value proposition towards the environment, the cost savings made from decreased waste and pollution is harder to pinpoint. It is instead easier to draw the connection to an increase in customer value through CSR work.

5.4.4 NWOW, Sweden

As mentioned when motivating why SMs and STs are used – the STs enable us to look at the details when an undisturbed focus is required, as we have done in sections 5.1-5.3 (and to some extent previously in 5.4). But when recomposing the STs into the complete SM, this enables us to explore some of the synergies that the components create together. One could simply place all the STs next to each other in the framework, but this wouldn't provide any additional information than what has already been presented. Instead, for synergies to emerge, the content needs to be combined through some type of generalization. To do so, one can start by summarizing NWOW's capital, components, and goals into one comprehensive structure (Figure 13).

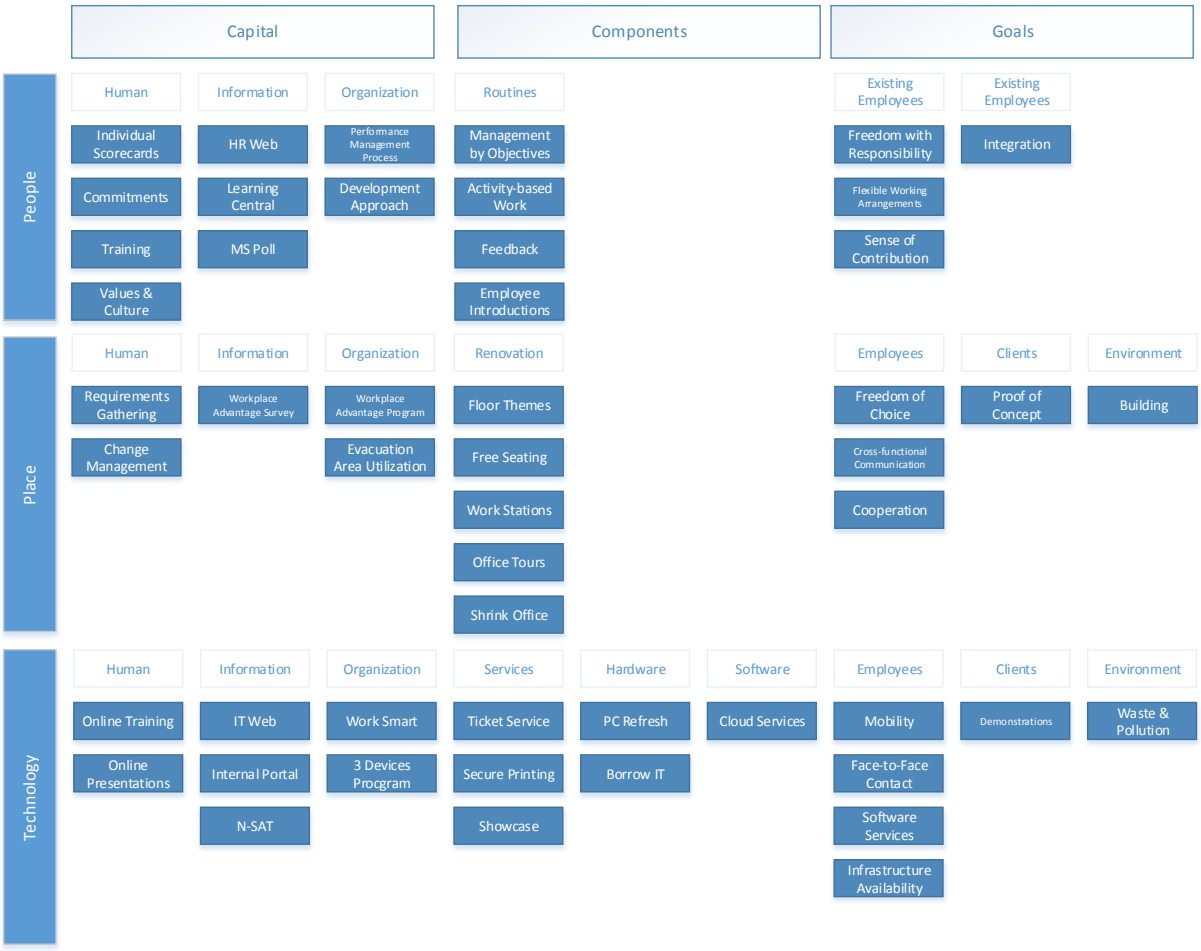

Figure 13 - NWOW's Capital, Components, and Goals.

Having done so, we can start generalizing the different dimension's capital, components, and goals – one by one. This is obviously a highly interpretive process, but so is the case study in its entirety. To facilitate understanding and motivate the final SM, this researcher's process will be detailed.

5.4.4.1 Generalized Capital

To develop Microsoft's human capital, the People dimension is for obvious reasons the most central. The Individual Scorecards, Commitments, Training, and Values & Culture are really all part of the goal-driven management approach that permeates the business in its entirety. So to abstract, let's call the People dimensions main human capital 'Goal-Driven Management'. From the Place dimension, the relationship with the human capital is centered on Requirements Analysis and Change Management to understand needs and to handle change resistance. Although change management is a key aspect of any

change initiative, from the Place dimension's perspective the requirements are of more interest when attempting to reshape the work space. Therefore, we will consider 'Requirements Analysis' the most important aspect of the Place dimension's human capital. From the Technology dimension's perspective, human capital is developed by supplying Online Training and Presentation functionality – let's call this 'Knowledge Management'.

To develop Microsoft's information capital, the People dimension utilizes HR Web, the Learning Central, and MS Poll. Although the two first are central in HR's work, from a holistic perspective the MS Poll survey is of more importance. Therefore, let's consider the People dimensions main contribution to the information capital 'MS Poll'. From the Place dimension's perspective, there was only one aspect mentioned – the 'Workplace Advantage survey' – wherefore the motivation will not be elaborated upon. From the Technology dimension's perspective however, IT Web, an Internal Portal, and the N-SAT survey were deemed of importance. Following the same logic with People – the first two are more connected to the daily work, and N-SAT is of more importance to the business as a whole. Therefore, the 'N-SAT Survey' will be noted as Technology's contribution to the information capital. Finally, the NWOW initiative has constructed its own survey at the Akalla office, wherefore 'Internal (NWOW) Survey' will be added as a complement.

To develop Microsoft's organization capital, the People dimension cites a Performance Management Process and a Development Approach. The development approach is more focused on the integration of new employees, while the performance management process is applicable to all. Therefore, 'Performance Management Approach' will be consider the main contribution. From the perspective of the Place dimension, the Workplace Advantage Program and Evacuation Area Utilization are the two main approaches to organization development. Since the evacuation area utilization is much more specific in its application, the 'Workplace Advantage Program' will be chosen from this dimension. Finally, the Technology dimension lists Work Smart and the 3 Devices Program. Although the '3 Devices Program' is key in the dissemination of hardware, devices can be bought independently by employees. The 'Work Smart Program' however, targets the utilization of products and services more generally throughout the business, and is therefore chosen as the Technology dimensions main input here.

This completes the Learning & Growth perspective of the SM (Figure 14).

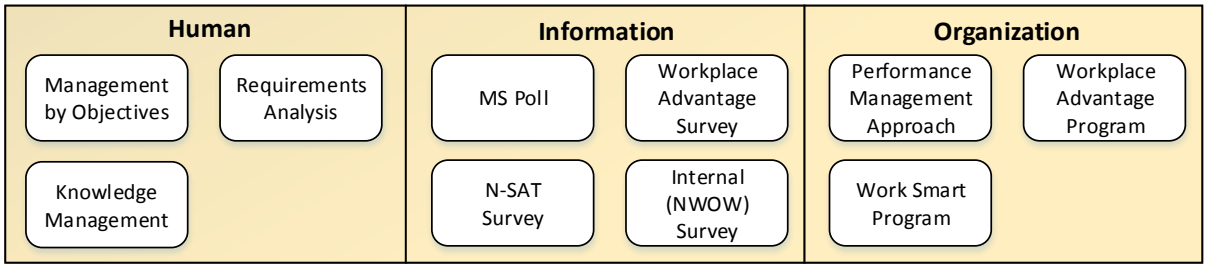

Figure 14 - Learning & Growth perspective of NWOW's SM.

5.4.4.2 Generalized Components

When generalizing the different dimensions' components, it becomes harder to choose one of the many that are important in the NWOW initiative. Instead of following this approach, it is perhaps more fitting to *combine* components so as to summarize each dimension instead. What the People dimension really offers its customers is the possibility to work flexibly – let's call this summative component 'Flexible Work'. To specify this further, one could say that customers are given the opportunity to work flexibly

in terms of location, time, and manner of execution – let's call these 'Where', 'When', and 'How'. The Management by Objectives and Activity-based Work components can be seen as enabling the where and when aspects, while the Feedback and Employee Introductions are closer connected with the how.

Similarly, one could definitely argue that the main component of the Place dimension is the renovation of the office into a purposeful space that meets the requirements of employees work – let's call this 'Purposeful Office'. It is purposeful in that it enables the previously mentioned 'How' aspect of the Flexible Work component, through the Free Seating policy and Work Stations. The Floor Themes component adds to this by varying purpose through location. It is also purposeful in terms of size – as was discussed in relation to the dimension's Shrink Size component. So to summarize these aspects of the purposeful office, we can call them 'How' (again), 'Size', and 'Location'.

From the Technology dimensions perspective, one could summarize IT's contribution as providing the infrastructure, as this includes hardware, software, networking and data. This covers the Software (Cloud Services) and Hardware (PC Refresh and Borrow IT) groups of components. In terms of the Services group (Ticket Service, Secure Printing, and Showcase), data and information is really what is provided. Building on the networking aspect of infrastructure, this can again be connected with the location aspect in terms of mobility. Therefore, we shall call the main component 'IT infrastructure' and specify it by 'Location' (again), 'Soft-/Hardware' and 'Information'.

This concludes the Internal Business perspective of the SM (Figure 15).

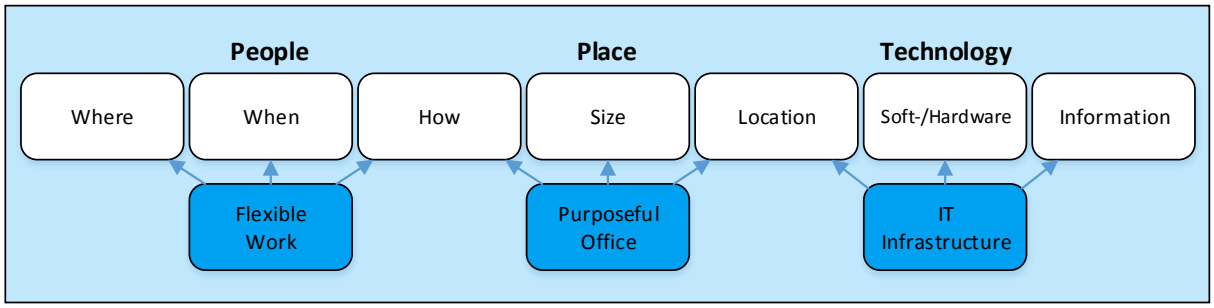

Figure 15 - Internal Business perspective of NWOW's SM.

5.4.4.3 Generalized Goals

Moving on to the Customer perspective and the value propositions within it, one can see that three customers are present – employees, clients, and the environment. The one customer that is present in all dimensions however is the employee, wherefore this can be considered the most general customer of NWOW. From the People dimension's employee-related goals, Flexible Working Arrangement seems tempting to choose as a summative goal. However, since this is what we chose for the Internal Business perspective, let's extend the reasoning one step further and select what it aims to achieve – 'Freedom with Responsibility'. The Place dimension aims to create a purposeful office, wherefore the 'Freedom of Choice' seems appropriate as a summative goal. Finally, in the Technology dimension the components provided an appropriate IT infrastructure, which enables the mobile work style that is encouraged throughout the initiative. Therefore, the Mobility goal will be chosen, but for consistency's sake we can call it 'Freedom of Mobility'.

This completes the Customer perspective of the SM (Figure 16).

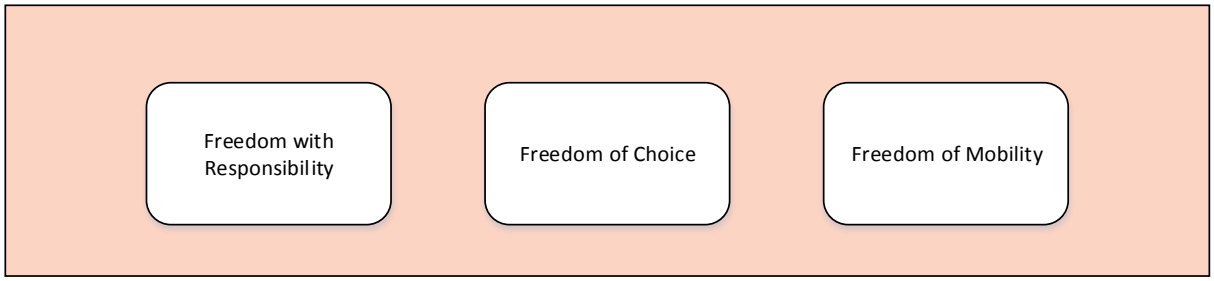

Figure 16 - Customer perspective of NWOW's SM.

5.4.4.4 Generalized 'Strategic Goals'

Lastly, the synergies achieved from the NWOW initiative aim to achieve a number of financial objectives – let's call these strategic goals. Using the SM structure – differentiating between productivity and growth strategy – we can list some synergetic strategic goals.

The productivity strategy consists of improving cost structure and increasing asset utilization. NWOW can 'Decrease Cost Structure' in terms of:

- *Electricity & Communication,*
- *Rent,*
- *Cloud Services,*
- *Sick Leave, and*
- *Travelling*

By having shrunk the office space, and through the possibility of closing down floors in low-activity periods (enabled by the free seating policy) – electricity costs can be decreased. By using VoIP software such as Lync or Skype, communication costs can be decreased. By having shrunk the office, rent is naturally lower. Because less servers need to be maintained on site, cloud services can decrease such costs. Having the possibility of working from home, sick leave can be reduced, and by the same logic so can also travelling costs.

NWOW can 'Increase Asset Utilization' by:

- *Cross functional Communication, and*
- *Product/Service Utilization.*

As a result of the free seating policy, employees are pushed to interact across functions, which may lead to increased productivity. By encouraging the mobile work style that Microsoft's product and service line is centered on, the productivity tools which they produce can be better utilized.

The growth strategy consists of expanding revenue opportunities or enhancing customer value. NWOW can 'Expand Revenue Opportunities' through:

- *Talent Attraction/Retention.*

To keep growing as a business, it is important to attract and retain talent. Having satisfied employees and receiving a lot of publicity partially thanks to NWOW, results in good employer branding. Attracting new talent is one way of expanding revenue opportunities for the future.

NWOW can 'Enhance Customer Value' via:

- *Customer Visits.*

By providing clients with the proof of concept that the Akalla office really is, through customer visits with office tours and showcases – customer value can be enhanced.

Adding to this, the researcher would like to list 'Increasing Employee Satisfaction' as a strategic goal, which in turn has the ability to affect the other strategic goals. The researcher does not completely subscribe to the idea that increased employee satisfaction undisputedly leads to increased productivity. It is *likely* that someone who is satisfied with his or her work situation will indeed put more effort into the work.

This concludes the Financial perspective, and finalizes the complete SM (Figure 17).

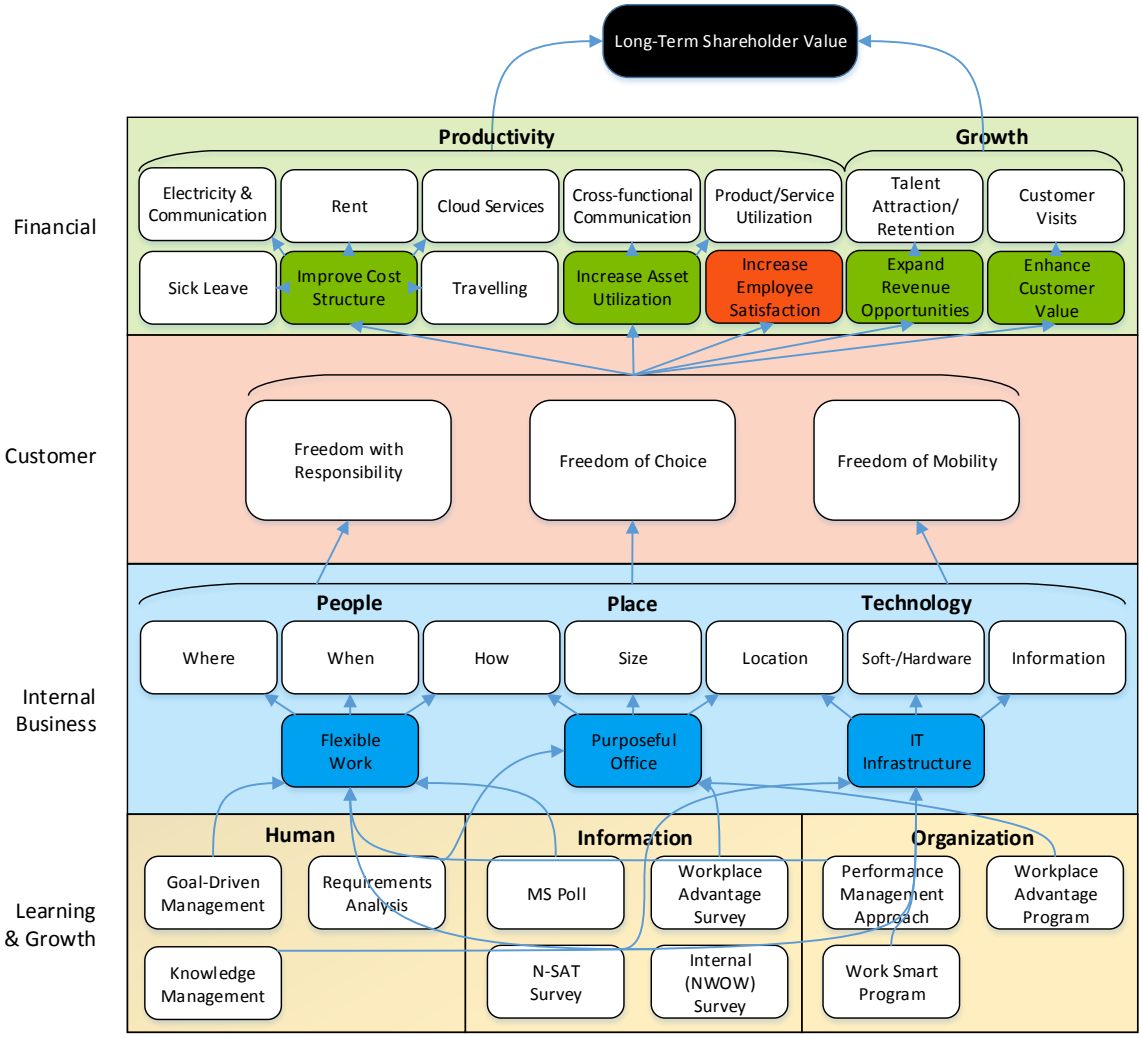

Figure 17 – NWOW, Sweden: Strategy Map.

6 Analysis

In this chapter, the main research question is answered by use of the SAM. The analysis outlines a set of guidelines for how organizations can approach the process of conceptually analyzing the alignment between FWAs and business and IT strategy. The analysis is focused on the strategic fit aspect of strategic alignment, but some reflections on the functional integration aspect are made, and possible application scenarios are described. Finally, a few key considerations found throughout the case study are discussed.

6.1 How can the alignment between an FWA and business and IT strategy be conceptually analyzed?

According to the SAM, strategic alignment can be considered from two dimensions: strategic fit and functional integration (Henderson & Venkatraman, 1993). In this research, the analysis has been largely centered on how to obtain strategic fit between the internal and external domains of the model. In other words, the focus of this thesis has been on the alignment of internal business processes and human, information, and organizational capital of the FWA with the customer value propositions and ultimately financial productivity and growth strategies. To obtain such an alignment, the following guidelines can be concluded:

Table 12 - Guidelines to conceptually analyze alignment between an FWA and business and IT strategy.

Steps	Specifications	(Chapter) Case References	Implications for alignment between FWA and business and IT strategy
Describe Business and IT strategy	Use the Financial perspective of the BSC to study the business strategy and how it balances productivity and growth aspects internally.	4.2.5	This determines the categorization of the strategic goals from business that the FWA will be connected to.
	Use the SAM's alignment perspectives to study the IT strategy and its relation with the business strategy.	4.2.6	This determines the categorization of the strategic goals from IT that the FWA will be connected to. Depending on what alignment perspective is chosen, IT may be more or less represented.
Describe FWA's capital, components, and goals	Use the Internal Business perspective of the BSC to study the FWA and decompose it into its components. Develop STs for a divide and conquer approach.	5.1-5.3	This concretizes the components of the FWA.

	Use the Customer perspective of the BSC to study the goals of the FWA's components.	5.1-5.3	This determines what goals the FWA components aim to achieve.
	Use the Learning & Growth perspective to study the FWA components' human, information, and organization capital.	5.1-5.3	This determines the capital used in the FWA to develop the components.
Analyze FWA's goals' alignment with strategy	Construct STs from the BSCs to study the relationship between the FWA's capital, components, goals and business and IT strategy.	5.4.1-5.4.3	This ensures that the alignment between FWA and strategic goals is sound.
Combine STs into SM	Generalize the details from individual BSCs/STs into a complete SM.	5.4.4	This enables synergies to arise from the previously detailed breakdown.
Analyze FWA's strategic alignment	Use the STs and/or SM in combination with the SAM to analyze the FWA's strategic fit.	6.1	This ensures that the strategic fit between internal and external domains is sound.
	Use the STs and/or SM in combination with the SAM to analyze functional integration.	*6.1*	*This ensures that the functional integration between business units is sound.*

The final step of this process is italicized because it is not been pursued in this case due to limitations in resources. It can also be noted that since the Akalla office is centered on S&M and Services, this somewhat restricts the possibilities for examining the functional integration as well. Strategic alignment can however also be considered in terms of functional integration – i.e. how well the IT and business domains are aligned. To provide some further guidance as to how this step could be pursued, a brief exploration is provided below.

There is a "generally accepted axiom that strategic choices in the external and internal domains should be consistent" (Henderson & Venkatraman, 1993, p.473). Also, it seems safe to assume that strategic choices in the business and IT domains should be consistent as well. In fact, "In a utopian organization, all activities, projects, processes, research, and operations support organizational objectives" (Lundström & Rosander, 2012, p.55). Therefore, the same logic should apply for all Common Functions (yet there is curiously for example no Business-HR alignment concept). Both theory and practice has a peculiar habit of separating IT from business, as if it was for some reason not part of it. Perhaps this is due to the fact that IT as a function is relatively new, and is therefore seen as something of an intruder in the business. This paradox is becoming increasingly apparent as IT takes a more integral role in all parts of business, and is quickly turning into the beating heart of the business body.

When comparing an SM to the SAM, some striking resemblances become visible. Firstly, both can be divided according to internal and external domains. In the SAM, the external domain is defined as "the business arena in which the firm competes and is concerned with decisions such as product-market offering and the distinctive strategy attributes that differentiate the firm from its competitors, as well as the range of 'make-versus-buy' decision, including partnerships and alliances" (Henderson &

Venkatraman, 1993, p.474). Conversely, the internal domain of the SAM involves "the logic of the administrative structure [...] and the specific rationale for the design and redesign of critical business processes [...] as well as the human resource skills necessary for achieving the required organizational competencies" (Ibid.). In the SM, one could draw this line between the Customer and Internal Business perspectives. Externally, the Customer perspective's value-propositions are product-market offerings, and the Financial perspective's productivity and growth strategies involve all types of distinctive strategic choices. Internally, the Internal Business perspective deals with the processes, and the Learning & Growth perspective with the human, information, and organizational capital.

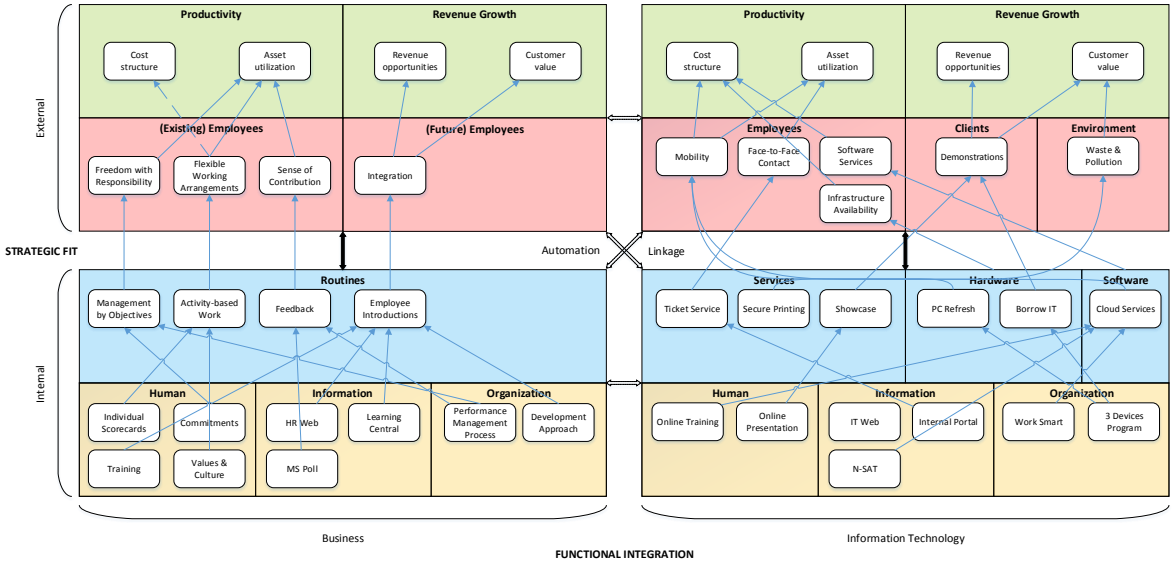

Figure 18 - Combination of Strategic Themes and the Strategic Alignment Model.

When placing two STs next to each other (Figure 18) – one from for example HR, and one from IT – the functional integration between business and IT can be addressed by cross-references. One might ask for example, 'In HR we have business processes concerning Employee Introduction. Do we have complementary resources in IT?', and the answer will be 'Yes, we have Online Training capital to facilitate this process'. This provides a practical approach to the functional integration aspect of strategic alignment between business and IT. And from a wider perspective, this does actually not restrict us to merely looking at the alignment between business and IT, but could also facilitate the analysis of functional integration between business units in general. The resulting combinatory model is a management system for strategic alignment! With the internal logic and level of detail provided by the STs, and the conceptualization of the most widely accepted strategic alignment framework – perhaps it holds the long awaited answer to a practical approach of strategic alignment.

6.2 Key Considerations

When attempting to align an FWA with business and IT strategy – three key questions may be considered: 1) What type of work does your organization perform?, 2) How does your organization aim to utilize the FWA goals?, and 3) What is the relationship between your organization's business and IT strategy?.

6.2.1 Different Goals from Different Work

When considering how to align an FWA with business and IT strategy, it is crucial to realize that the possible goals are dependent on the type of work performed within the organization. In NWOW for example, there are similarities with all kinds of different FWAs. For example, Work-Life Programs – where the goals is "to help employees manage the interface between their paid work and other important life activities, including family" (Konrad & Mangel, 2000, p.1225) – is illustrated by the focus on employee satisfaction. Similarly, telework – "the substitution of communication technology for work-related travel" (Martin & MacDonnell, 2012, p.603) – is very much at the center of the mobile working style encouraged to arrive at decreased operational costs. Finally, CSCW which "combines the understanding of the way people work in groups with the enabling technologies of computer networking, and associated hardware, software, services and techniques" (Wilson, 1991, p.6), is represented by the work stations within the office itself, along with the product and service line of the organization as a whole, which together arrive at the increased staff productivity. In other words, NWOW is a good example of a bundle of FWAs.

Having said that, this bundle may not be optimal for all types of businesses. As mentioned in the Extended Background, "not all FWAs are suitable for every organization because they have to be in line with the organization's strategy, objectives and structure" (Stavrou, 2005, p.926). What is clear in the case of NWOW is that key to the implementation is a management system based on goals and feedback. This works in the S&M focused organization of Akalla, as it is easy to set goals in terms of number of sales made etc. But this quickly becomes a problem when the work performed is less service-oriented. For example, when performing R&D work there may not always be a clear final goal set, which makes breakdowns into objectives harder. This makes one wonder if a similar management approach would be feasible in a more product-oriented office.

A related issue is to that of knowledge work, as it was argued previously that "firms relying on a relatively large percentage of professionals appear to benefits from the provision of work-life benefits. On the other hand, for firms hiring less skilled, less autonomous, and less highly paid workers, the productivity benefits of work-life initiatives may be negligible" (Konrad & Mangel, 2000, p.1235). Again, the resume of the Akalla office employee fits well with the first description, and goals should therefore be more likely to realize. But when less knowledge work is required, the flexible working routines, productivity tools and devices, and activity-based work spaces become of less interest. For example, to a warehouse – the possibility of working from home, having cloud-based knowledge repositories, and purposefully tailored conference rooms – may be of no use at all. Therefore one can question its applicability to more routine-based employments. Knowledge work and the management of such resources is very much key in the NWOW initiative, and without it – many of its goals become mute.

One final consideration has to do with NWOW's free seating policy at the Akalla office. When Microsoft has implemented NWOW in more than twenty offices around the globe, one of the factors that has varied is the amount of free seating involved. In the Akalla office for example, functions such as front desk and goods receptionist are excluded from the policy, and the policy is then simply encouraged. In Holland however, the free seating policy covered 100% of the employees, and relocation was actually enforced on a daily basis. This is a fine line to walk, because the more influence the free seating policy is given, then more productivity is claimed to increase. It is however clear from employee feedback that not all people enjoy the policy, meaning employee satisfaction may in turn be decreased. Again, certain types of work may be better suited for certain levels of free seating, and organizations must carefully consider what goals they hope to realize through it.

6.2.2 Strategic Utilization of Goals

When goals have been extracted from the FWA, it is necessary to decide how they are to be utilized. The Financial perspective of the BSC/SM should describe the balance between productivity and growth strategy, so that the found goals can be utilized in accordance. For example, the goal Increased Asset Utilization can be realized in at least three ways:

1. by doing **no** work during the time saved, enabling cost savings by decreasing working time, or improve employee satisfaction through more slack,
2. by doing **more** of the same work during the time saved, i.e. increasing revenue opportunities by making more sales calls, or
3. by doing **other** types of work during the time saved, e.g. training or research which can in turn enhance customer value.

Depending on the chosen balance between productivity and growth strategies in the company, goals can be realized in different combinations and ratios. Proper alignment between Customer and Financial perspectives should be considered achieved when all goals are utilized in accordance with this balance. As e.g. Microsoft's growth strategy holds a comparably greater return, they would be wise to focus their goal realization through this. This could be achieved by either doing more of the same or different work.

One must also consider the time aspect of realizing and utilizing the goals. In terms of Work-Life Programs, "A review of the literature, however, questions this purported link between work-life balance practices and organizational effectiveness" (Beauregard & Henry, 2009, p.10). At the Akalla office, MS Poll results for the SMS&G unit showed employee satisfaction scores to have decreased after the implementation of NWOW. In 2012, the office reached an all-time high Workgroup Health Index of 80%, which automatically sets next year's objective two percentage points higher at 82%. But the 2013 scores revealed a final score of 79%, having actually decreased by one point. As for the Microsoft Pulse Index, this also decreased from 82 to 81%, while the Microsoft Culture Index remained unchanged at 76%. The reasons for these changes can be many, but having an especially hectic year due to changes in corporate strategy and launches of several new or updated products and services may have had its effects through an increased workload in general. Also, it stands to reason that having rebuilt the office and gone through this huge change management process in parallel with this, may in turn have taken its toll on employees satisfaction. It would perhaps be reasonable to presume that next year's scores may be more representative, as the major changes have then been consolidated.

Finally, if one hopes to see measurable improvements through the goals that FWAs have to offer, it is essential to decide what to measure early in the process. From the telework perspective of FWAs, one can reiterate that "Despite individual and societal research showing positive goals of telework, it has not been embraced by organizational decisionmakers as an effective, mainstream alternative to current work arrangements" (Martin & MacDonnell, 2012, p.612). This is certainly not the case at the Akalla office, as decision-makers encourage mobile work through the provision of IT infrastructure, productivity tools, and management systems. But the researcher has curiously yet to see any calculations as to how the time savings or productivity gains of such routines are to be realized. It was in the interviews concluded that it was hard to obtain any good measures of productivity gains, and part of the reason for this was the lack of a thorough pre-study of NWOW in the Akalla office. It is therefore hard to judge the time savings or productivity gains of the implementation, as there is little else apart from the MS Poll scores to compare results to. Detailed process maps and time studies would have been useful, but the only means of gauging such goals without these – is by asking employees for self-evaluation, or by some kind of controlled experiment approach to compare the 'as was' and 'as is' situations post-implementation.

6.2.3 Relationship between Business and IT strategy

When considering how to align an FWA with business and IT strategy, it is necessary to understand the relationship between business and IT strategy. In relation to the proposed combinatory model, this would mean an analysis of the strategic fit within the external domain. At Microsoft it is clearly stated that IT aligns with business, which when phrased like this leaves little room for confusion as to which of the four dominant alignment perspectives (Henderson & Venkatraman, 1993) they adhere to. Business strategy is clearly the driver, leaving only 'strategy execution' and 'technology transformation' to choose from. In the strategy execution alignment perspective, "a business strategy has been articulated and is the driver of both organizational design choices and the design of I/S infrastructure" (Henderson & Venkatraman, 1993, p.477). The technology transformation alignment perspective however, "is not constrained by the current organizational design, but instead seeks to identify the best possible I/T competencies through appropriate positioning in the I/T marketplace, as well as identifying the corresponding internal I/S architecture" (Henderson & Venkatraman, 1993, pp.477-478). Perhaps if this assessment would have been made a few years back, before Microsoft's strategic shift from a software producing company to a devices and services producing and providing company, the conclusion might have leaned towards the strategic execution perspective. But today, the technology transformation perspective is definitely more representative of the strategic formulation and alignment process described by one manager. It is interesting though, that Microsoft is not more clearly driven by its IT strategy. Or is it?

The remaining alignment perspectives view IT strategy not as a driver, but an *enabler* – something that perhaps all companies must to some extent subscribe to, but especially companies in the IT industry. In other influential parts of research however, IT strategy can sometimes be referred to as a driver (e.g. Luftman, 2000). This becomes complicated for at least two reasons: 1) when speaking of IT strategy one generally refers to the *internal* IT function and not the R&D-related IT whose customers are external to the organization; and 2) to run a successful business, it is clear that business strategy cannot be governed by an IT strategy which no regards to the actual business. These statements are in themselves cumbersome, but sadly it gets worse. At Microsoft, first of all the R&D function produces IT infrastructure that is in turn used internally by the IT function. And secondly, Microsoft's business strategy is to position itself appropriately in the IT marketplace – i.e. IT *is* its business. This poses some interesting questions that this research is unable to answer, yet would still like to introduce. Firstly, where does one draw the line between an R&D function that produces infrastructure that the IT function then governs internally? And secondly, what is the IT strategy of a business whose business is IT? Or if an IT strategy governs how you do business, *is* it not then your business strategy?

With the risk of complicating things further, let's connect this discussion to the higher levels of alignment (Hogue et al., 2005). The authors define alignment as a state in which "Technology supports, enables, and does not constrain the company's current and evolving business strategies" (Houge et al., 2005, p.6). Synchronization however – the second state – is a state in which "Technology not only enables execution of current business strategy but also anticipates and helps shape future business models and strategy" (Ibid.). Convergence – the third and final state – is a state in which "Business and technology activities intertwine and the leadership teams operate almost interchangeably" (Ibid.). At the Akalla office, there was no evidence for the state of convergence, a conclusion mainly drawn from the leadership team having functional areas that were clearly delineated from IT. A case for synchronization could however perhaps be made. Here we distance ourselves from the *driver* term, and therefore remove some of the confusion. The strategic shift made in the R&D functions of Microsoft clearly exemplify how IT has anticipated a different future, and thereby helped shape the future business model and

strategy. From this study however, it is unclear how involved IT is in the strategy formulation process during the series of strategic meetings previously described. But whether consciously or subliminally, it seems clear that IT has a greater role in strategy than is perhaps recognized, which brings us to the philosophical part of the discussion.

Imagine for a second that there are no organizational boundaries between business units and functions – it's all business – and take a step back to look at the bigger picture. One might ask oneself: is humanity developing technology, or is technology developing humanity? Without getting into too existential discussions, could not one reasonable answer to this question be 'Both'? Obviously, engineers design and construct technology. But for example, how many times have you checked your e-mail today? And what is the first thing you do before you go to sleep or after you wake up? If you're like me, technology plays a huge role in your life, and the time spent without any technology-related products or services is withering away more and more every day. Transferring this reasoning back into the strategic alignment domain – i.e. assuming that business drives IT, and IT drives business – what does this mean for the concept of strategic alignment? Previous research has argued that strategic alignment is a dynamic and continuous process, so maybe it is also mutual? Perhaps it is not what drives what that is of importance, but simply the consistency – across the board, no matter what business function or unit – of which actions are planned and carried out, that is of real relevance.

7 Discussion & Conclusion

In this final chapter, a discussion of the research conclusions is held. Originality and significance of the findings is discussed separately in terms of research and practice. A reflection of how the research has fulfilled the quality criteria introduced in the Methodology chapter is made. Finally, the limitations of the research are addressed, and ideas for future research are outlined.

7.1 Conclusions

In the case study that is part of this thesis, Microsoft's FWA (the New World of Work) is found to be well aligned with business and IT strategy. The aspect of strategic alignment that this finding pertains to, is that of strategic fit between internal and external domains. These FWA's goals are aligned with business and IT strategy through a balance between productivity and growth strategy.

To answer this thesis' main research question – How can the alignment between an FWA and business and IT strategy be conceptually analyzed? – a set of guidelines is proposed from the approach applied in this case. The guidelines make use of BSCs, SMs (and STs) and outline a process for how alignment between FWAs and business and IT strategy can be conceptually analyzed. The guidelines consist of five steps: 1) describe business and IT strategy, 2) describe FWA's capital, components, and goals, 3) analyze FWA's goals' alignment with strategy, 4) combine strategic themes into strategic map, and 5) analyze FWA's strategic alignment. The steps contain further specifications, chapter references to the case study, and notes on the implications for strategic alignment. A combinatory model (linking the BSC/SM and SAM models) is introduced to facilitate the conceptual analysis, highlighting the distinction between strategic fit and functional integration. The latter aspect of strategic alignment has however not been explored due to the limitations of the case itself, but some scenarios are discussed to guide future research in this area. Finally, three points of consideration are highlighted: FWA goals are dependent on the type of work performed within the organization; FWA goals can be utilized in more or less strategic ways; and 3) understanding the functional integration within the external domain is key to subsequent strategic fit efforts.

In terms of ethical consequences of the research findings, one can mention the environmental aspects of the 'green' operations the FWA produces. By encouraging businesses to make the journey towards a paperless society, and increasing asset utilization in general, there is also an ethical aspect to the implementation of FWAs. In terms of societal consequences, a few words can also be said about the initiative. It is this researcher's hope, that the guidelines resulting from this research can be used to justify the implementations of FWAs in organizations through their alignment with business and IT strategy. If more organizations are able to justify the provision of FWAs, this would – if the FWA's goals are realized – result in e.g. an increased employee productivity and satisfaction across these businesses. This could in turn lead to a better Work-Life Balance for employees in such organizations. The increased use of FWAs should also further the development of the underlying IT solutions, and encourage new applications.

7.2 Originality & Significance

7.2.1 Contribution to Research

1. It was noted in the Extended Background chapter that "no attempt has been made so far to investigate these FWAs in bundles" (Stavrou, 2005, p.924). This research exemplifies one such attempt, as the NWOW initiative has been concluded to be a bundle of different FWAs.
2. It was also stated that "the relationship between a comprehensive array of FWAs grouped in bundles and organizational competitiveness also remains largely unexplored" (Stavrou, 2005, p.924). This research has begun to explore the relationship between a bundle of FWAs and alignment with business and IT strategy – conceptually by the use of BSCs, STs, and a SM. However, how Microsoft's organizational performance has been affected by NWOW (as business and IT strategy are executed) will be revealed in the future.
3. Furthermore, it was claimed that "There is need for further theory development; detailed case studies of organizations would help not only in building theory, but could also examine the actual benefits and costs involved with different FWAs" (de Menezes & Kelliher, 2011, p.466). This research has answered this call by following a case study research strategy, but only the benefits/goals involved have been under examination. The costs mentioned in this quote have been outside of the thesis' scope. In addition to this, the thesis has laid some groundwork for theory development through its presented guidelines of how the alignment between FWAs and business and IT strategy can be conceptually analyzed, as well as its proposed model combining the BSC/SM and SAM frameworks. As the current strategic alignment models have been criticized for being too theoretical (Chan & Reich, 2007b; Rockart et al., 1996), the proposed model has the potential of creating a more practical approach to strategic alignment in general.
4. Finally, it was noted that the connection between FWAs and strategic alignment had yet to be made in scientific research. This study has made this connection explicit, and hopes to see more studies follow in its path.

7.2.2 Contribution to Practice

The contributions to practice can be divided into two groups: Microsoft as the case of this thesis, and organizations in general.

1. For Microsoft – BSCs, STs and an SM have been created specifically for the NWOW initiative of the Akalla office. These may in turn be used when evaluating the success of their NWOW implementation at Akalla, and when developing the initiative further. Also, it may aid in the implementation of NWOW in other Microsoft or client offices.
2. For organizations in general, this research contributes to the practical approach to conceptual analysis of the alignment between FWAs and business and IT strategy – through the guidelines outlined. This approach aims to aid organizations in achieving strategic fit between their internal and external domains. Some practical scenarios for usage in terms of functional integration are also provided.

7.3 Research Quality

In terms of *validity*, the research has applied triangulation, respondent validation and grounded data. Triangulation has been used to the extent that both a literature review and interviews have been performed. In terms of literature, both internal project documentation and external information has been included. As for the interviews, multiple informants were questioned to allow for multiple interpretations to be represented. One of the interviews was furthermore performed with a manager from outside of the Swedish NWOW initiative, so as to gain insight from a source not directly connected with the FWA. Respondent validation has been used as each transcription has been sent back to the interviewee with the option to edit, remove or clarify any of its content. Finally, grounded data is used in that interviews have been performed to collect primary empirical data.

As for *reliability*, the researcher has put much effort into providing an "explicit account of the methods, analysis, and decision-making" (Denscombe, 2010, p.300) applied within the research. For added transparency, the interviews were transcribed in their entirety, so as to give full insight into the data of which results, analysis and discussion is based. For confidentiality reasons however, they were later removed from the report, but are available for review if Microsoft's consent is given to their dissemination.

When it comes to *generalizability* readers are encouraged to pursue with caution. It has been this author's aim to provide enough information for readers to decide the scope of generalizability for themselves. This single-case study cannot be considered generally transposable without precautions being taken, wherefore the process outlined is referred to as 'guidelines'. This said, just because it is a single-case study – this does not mean that the content is not applicable to other organizations that attempt to implement FWAs. It may, perhaps especially, very well be generalizable for other Microsoft offices who follow in the footsteps of the current NWOW offices around the globe.

Finally, *subjectivity* is impossible to rid oneself completely of, and since this research entails the analysis of qualitative data – it is inherent. Almost all of the informants are directly involved in the NWOW initiative, wherefore it is in their interest to portray the initiative in good light. Adding to this, the researcher himself has a subjective frame of reference, within which the analysis of the qualitative data has been performed. The researcher has included a short summary of each informant, as well as the researcher himself – so as to be upfront about what the roles and backgrounds of all participants are.

7.4 Limitations & Future Research

The Financial perspective was not adapted to the specific business and IT strategy, something that was in the end found to be of less relevance. Had this been done, the findings would have been even harder to generalize to other FWAs. To ensure complete data saturation, more interviews could have been performed, but given the time constraints of the thesis it was simply not deemed feasible. Furthermore, only the strategic fit aspect of strategic alignment has been pursued. For a relevant analysis to be made of the functional integration aspect, more data would have been needed.

In terms of future research, a number of questions can be posed:

- **Are the guidelines useful?** Future research is encouraged to test the proposed guidelines in practice, so as to evaluate their applicability and generalizability.
- **Is the combinatory framework useful?** The researcher encourages future research to test the feasibility and usability of the combinatory framework provided above. Focus has here been on

strategic fit, while functional integration has yet to be applied in practice. Therefore, the model's use for analyzing functional integration is of special interest, to elaborate this part of the guidelines further.

- **What are the costs related to NWOW?** The researcher would like to see future research investigate not only the goals, but also the costs, of a bundled FWA such as NWOW.

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Appendices

Appendix A – Data Collection Protocols

Executive Managers

"Mission and vision statements set the general goals and direction for the organization. [...] Companies make their mission and vision statements operational when they define a strategy for how the mission and vision will be achieved" (Kaplan & Norton, 2004, p.35). To collect data related to this, five questions have been constructed from Step 1 in the BSC process:

1. What is Microsoft Sweden's mission?
2. What is Microsoft Sweden's vision?
3. What are Microsoft Sweden's threats?
4. What are Microsoft Sweden's opportunities?
5. What are Microsoft Sweden's core values?

> "Basically, financial strategies are simple: companies can make more money by (1) selling more, and (2) spending less. Everything else is background music. [...] Thus, the company's financial performance gets improved through two basic approaches - revenue growth and productivity [...] Companies can generate profitable revenue growth by deepening relationships with existing customers. [...] Companies can also generate profitable revenue growth by selling entirely new products" (Kaplan & Norton, 2004, p.36).

To collect data related to this, one question with two sub-questions have been constructed from Step 1 in the BSC process:

6. What is Microsoft Sweden's growth strategy?
    a. How do you measure revenue opportunities?
    b. How do you measure customer value?

> "*Productivity* improvements [...] also can occur in two ways. First, companies reduce costs by lowering direct and indirect expenses. [...] Second, companies, by utilizing their financial and physical assets more efficiently, reduce the working and fixed capital needed to support a given level of business" (Kaplan & Norton, 2004, pp.36-38).

To collect data related to this, another question with two sub-questions have been constructed from Step 1 in the BSC process:

7. What is Microsoft Sweden's productivity strategy?
    c. How do you measure cost structure?
    d. How do you measure asset utilization?

> "The link to strategy in the financial perspective arises as organizations choose a balance between the often contradictory levers of growth and productivity. [...] The overarching financial objective is, and must be, to *sustain* growth in shareholder value. Thus, the financial component of the strategy must have *both* long-term (growth) and short-term (productivity) dimensions" (Kaplan & Norton, 2004, p.38).

To collect data related to this, one final questions has been constructed from Step 1 in the BSC process:

8. How does Microsoft Sweden balance long-term (growth) and short-term (productivity) goals?

NWOW Managers

> "The revenue growth strategy requires a specific value proposition, in the *customer* perspective, that describes how the organization will create differentiated, sustainable value to targeted segments. In the customer perspective of the strategy map, managers identify the targeted customer segments in which the business unit competes and the measures of the business unit's performance for customers in these targeted segments. [...] A strategy should identify specific customer *segments* that the company is targeting for growth and profitability. [...] Once the company understand who its targeted customers are, it can identify the objectives and measures for the *value proposition* it intends to offer" (Kaplan & Norton, 2004, pp.38-40).

To collect data related to this, four (often reoccurring) questions have been constructed from Step 2 in the BSC process:

1. Who are the customers of the NWOW initiative?

For each customer segment:

2. What is NWOW's value proposition for this customer?

For each value component:

3. How does this objective support Microsoft Sweden's growth and/or productivity strategy?
4. How does this objective contribute towards Microsoft Sweden's mission and vision?

> "Once an organization has a clear picture of these financial and customer objectives, the objectives in the internal and learning and growth perspectives describe how the strategy will be accomplished. [...] Internal processes accomplish two vital components of an organization's strategy: (1) they produce and deliver the value proposition for customers, and (2) they improve processes and reduce costs for the productivity component in the financial perspective" (Kaplan & Norton, 2004, p.43).

To collect data related to this, four (again often reoccurring) questions have been constructed from Step 3 in the BSC process:

5. What are NWOW's core dimensions?

For each dimension:

6. What are the NWOW dimension's main objectives?

For each objective:

7. What actions are taken by Microsoft Sweden to achieve this?

For each action:

8. How does Microsoft Sweden measure progress towards this objective?

"The fourth perspective of the Balanced Scorecard strategy map, learning and growth, describes the organization's intangible assets and their role in strategy" (Kaplan & Norton, 2004, p.49). "The organization manages its internal processes and its development of human, information, and organization capital to deliver the differentiating value proposition of the strategy" (Ibid., p.43). To collect data related to this, three final questions have been constructed from Step 3 in the BSC process:

9. What is needed in terms of human capital to reach this objective?
10. What is needed in terms of information capital to reach this objective?
11. What is needed in terms of organizational capital to reach this objective?

Appendix B – Consent Forms

The Researcher

My name is Fredrik Rusch and I'm attending my final semester of the Master's Program *Strategic IT Management* at the Department of Computer and Systems Sciences in Stockholm University. If you wish to contact me you may call my cellphone (*****) or e-mail me (*****@student.su.se).

The Research

As a shortage of knowledge workers is developing in the market place, and new generations of employees set new demands on managers – Flexible Working Arrangements (FWAs) are becoming an increasingly popular measure for talent attraction and retention in organizations. Proponents of FWAs argue many positive outcomes from their usage, both employee and work related. Although it is generally believed that FWAs are good for business, a clear business case for FWAs is yet to be established, and their strategic alignment with business and IT strategy has been largely unexplored in academia. At Microsoft, the New World of Work (NWOW) initiative is gradually being implemented throughout the organization, and has now made its way to Microsoft Sweden's main office in Akalla. This research seeks to investigate how NWOW can be aligned with business and IT strategy, and aims to conceptualize the alignment through the use of a Balanced Scorecard and Strategy Map.

The Participant's Contribution

I'm hoping that you will consent to an interview, in which I wish to learn more about the connection between the New World of Work initiative and Microsoft Sweden's business and IT strategy. The interview may take around and hour, depending on how much you are willing to share of your expertise. I am writing my thesis for your organization, and will gladly present the main findings orally if requested.

Withdrawing Consent

This consent sheet is not a contract – signing is not binding in any way. You have the option to withdraw your consent at any time. The form merely establishes that your participation is voluntary, and that you have been sufficiently informed about the research.

Confidentiality/Security

This research will be conducted in agreement with Stockholm University's code of ethics (available at http://www.su.se/english/research/research-ethics). After the interview, I will send you the transcription, so that you can review the content. I will also provide you with the research report before its finalization, so that you can review it before submission. To ensure the anonymity of the data provided in the interview, all transcriptions will be made anonymous – unless you instruct otherwise. To accomplish this, your name will be replaced with "Interviewee".

I understand my responsibilities as a researcher, and will uphold the above explained ethics.

Name: _____ Signature: _____

Date: _____

I have understood the details of the research, and willingly consent to participation.

Name: _____ Signature: _____

Date: _____

Appendix C – Glossary

Mission	"The overarching *mission* of the organization provides the starting point by defining why the organization exists or how a business unit fits within a broader corporate architecture. The mission and the core *values* that accompany it remain fairly stable over time" (Kaplan & Norton, 2004, p.32) "A concise, internally focused statement of the reason for the organization's existence, the basic purpose towards which its activities are directed, and the values that guide employees' activities. The mission should also describe how the organization expects to compete and deliver value to customers" (Kaplan & Norton, 2004, p.34)
Vision	"The organization's *vision* paints a picture of the future that clarifies the organization's direction and helps individuals understand why and how they should support the organization. In addition, the vision sets the organization in motion, from the stability of the mission and core values to the dynamics of strategy [...]" (Kaplan & Norton, 2004, p.32) "A concise statement that defines the mid- to long-term (three- to ten-year) goals of the organization. The vision should be external and market-oriented and should express – often in colorful or 'visionary' terms – how the organization wants to be perceived by the world" (Kaplan & Norton, 2004, pp.34-35).
Strategy	"*Strategy* is developed and evolves over time to meet the changing conditions posed by the external environment and internal capabilities" (Kaplan & Norton, 2004, pp.32-34) "Porter argues that strategy is about selecting the set of activities in which an organization will excel to create a sustainable difference in marketplace. The sustainable difference can be to deliver greater value to customers than competitors, or to provide comparable value but at lower cost than competitors" (Kaplan & Norton, 2004, p.35).
Value proposition	"The value proposition defines the company's strategy for the customer by describing the unique mix of product, price, service relationship, and image that a company offers its targeted group of customers. The value proposition should communicate what the company expects to do for its customers *better* or *differently* than its competitors" (Kaplan & Norton, 2004, p.40)
Human capital	"The availability of skills, talent, and know-how required to support the strategy" (Kaplan & Norton, 2004, p.49).
Information capital	"The availability of information systems, networks, and infrastructure required to support the strategy" (Kaplan & Norton, 2004, p.49).
Organization capital	"The ability of the organization to mobilize and sustain the process of change required to execute the strategy" (Kaplan & Norton, 2004, p.49).

Appendix D – Strategic Themes

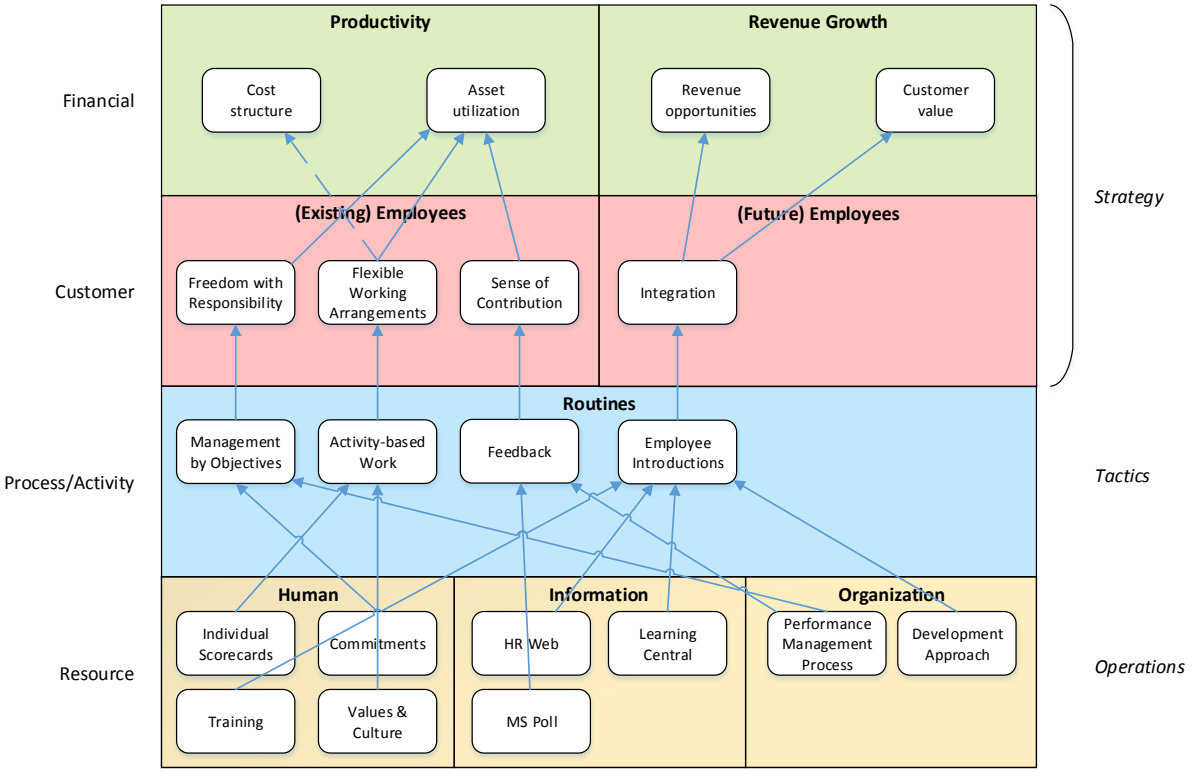

Figure 19 - Strategic Theme: People Dimension of NWOW.

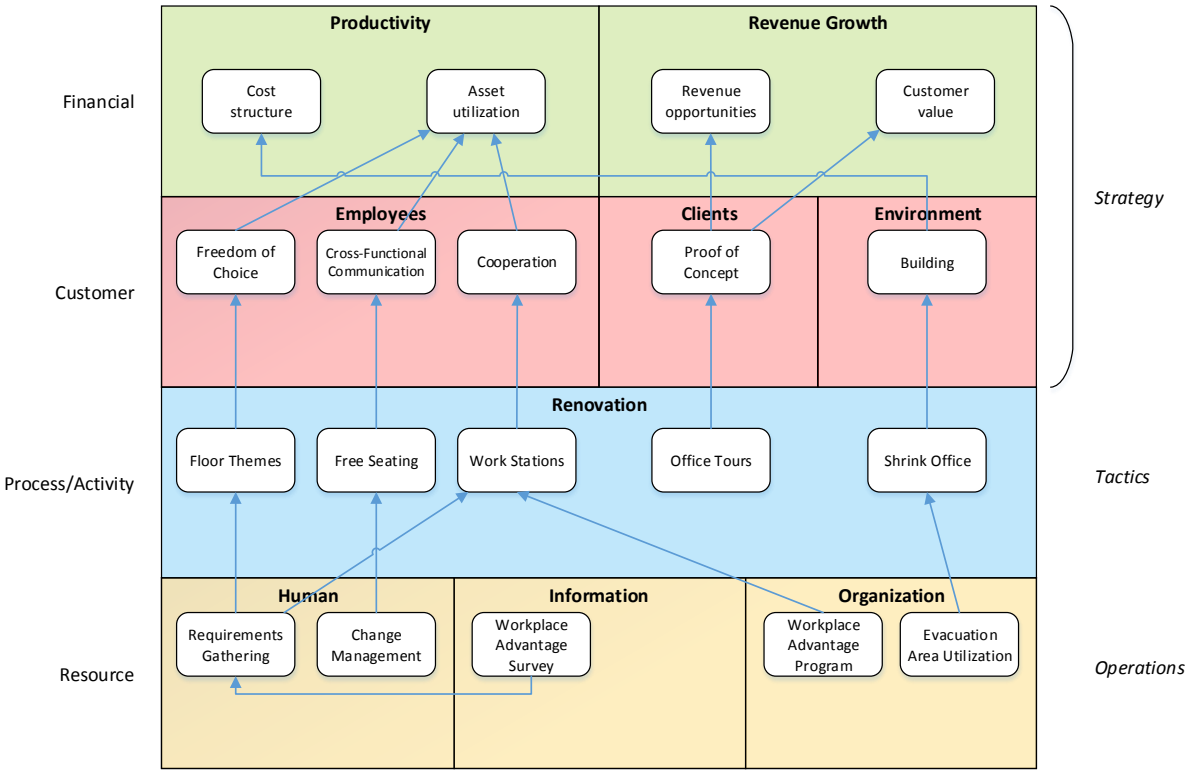

Figure 20 - Strategic Theme: Place Dimension of NWOW.

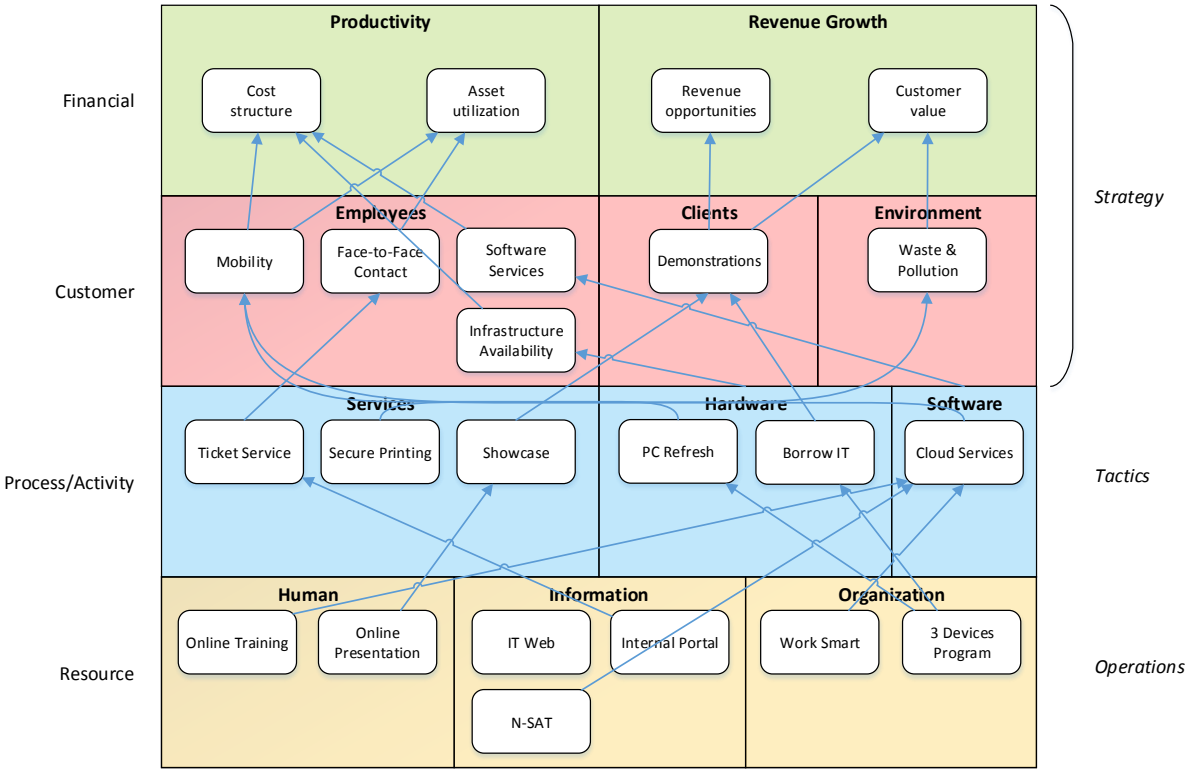

Figure 21 - Strategic Theme: Technology Dimension of NWOW.

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