

**TOWARDS UNDERSTANDING DISSATISFACTION WITH  
EXPLANATIONS OF IT VALUE**

by

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in the

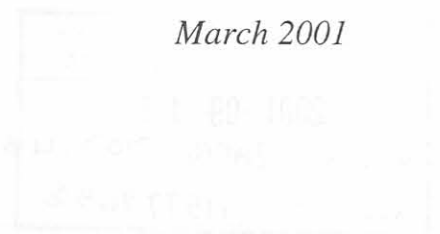
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I declare that

I would like to express my appreciation to all who have supported and encouraged me through the study, especially Professor J.D. ...

**Towards understanding dissatisfaction with explanations of IT value**

Ek wil graag my dankbaarheid betrefsend aan my tydens hierdie ...

is my own work and that all the sources that I have used or quoted have been indicated and acknowledged by means of complete references.

**DC le Roux**

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## Acknowledgements/ Dankbetuigings

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### Chapter 1: Introduction

Ek wil graag my waardering betuig aan almal wat my tydens hierdie studie ondersteun en aangemoedig het, veral Professor J.D. Roode vir sy waardevolle advies, leiding en geduld.

Adelmann, H. (1997) *Business Information Systems*. Boston: Harvard Business School Press.

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## Abstract

### Towards understanding dissatisfaction with explanations of IT value

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The research focused on dissatisfaction with explanations of Information Technology (IT) value. IT's business potential and the high levels of IT investment have put IT under the management spotlight. Management typically asks: "What is the contribution of our IT investments to improving our corporate strategy and business leverage?" or "How can we monitor the progress and performance of investments, in order to identify improvement actions?"

Managers are, however, dissatisfied with explanations of IT value, because attempts to demonstrate the link between IT investments and business performance have produced mixed results. The research objective required the development of a framework as a step towards understanding dissatisfaction with IT value. Three case studies were used that resulted in a concluding theory consisting of a framework, a set of hypotheses describing the relationships between the elements of the framework and a pattern of conditions under which there is dissatisfaction with explanations of IT value. The theory clarifies dissatisfaction with explanations of IT value:

*IT is on management's agenda due to its track record; high spending on IT; the need to exploit IT and dissatisfaction with*

*available explanations of IT value. An outcome of this is a concern about IT's value.*

*Management's concern is conditioned by factors such as their levels of comfort with IT; the business/IT relationship and management's mindset about IT as a business resource. The concern becomes a need to control IT which requires an effective IT evaluation process in turn. Steps to ensure an effective IT evaluation process need to address the availability of alternative IT evaluation methods; the mindset about IT evaluation; flaws in IT evaluation methods; problems with defining IT value as well as IT benefits and costs complications. As a result, explanations of IT value may not be satisfactory. IT will then remain on the management agenda and management will continue to be concerned about IT value.*

The theory indicates two broad strategies to overcome or avoid dissatisfaction with explanations of IT value. The first strategy is to fully understand the reasons for management's concern about IT value as well as to recognise those conditions that could influence concerns about the value of IT. The second strategy is to ensure an effective IT evaluation process by specifically addressing those factors or conditions that could impact on the effectiveness of the IT evaluation process.

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## Opsomming

### Towards understanding dissatisfaction with explanations of IT value

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Die studie het op bestuurders se ontevredenheid met verduidelikings van IT se waarde gefokus. IT se potensiaal as 'n besigheidshulpbron en die hoë investering daarin, plaas IT in bestuur se soeklig. Senior bestuurders het tipies vrae soos: "Wat is die bydrae van ons investerings tot 'n verbeterde korporatiewe strategie?" of "Hoe kan ons die vordering en resultate van ons IT investerings bepaal, ten einde verbeteringsaksies te identifiseer?" Bestuurders is egter ontevrede met verduidelikings van IT se waarde, want pogings om dit te demonstreer lewer slegs gemengde resultate op.

Die navorsingsdoelwit vereis die ontwikkeling van 'n raamwerk om beter te verstaan waarom bestuurders ontevrede is met verduidelikings van IT se waarde. Drie gevallestudies is gebruik om 'n samevattende raamwerk te ontwikkel tesame met 'n stel hipoteses wat die verhoudinge tussen die elemente van die raamwerk beskryf, asook 'n stel toestande waaronder daar ontevredenheid is met verduidelikings van IT se waarde.

Die raamwerk lig ontevredenheid met verduidelikings van IT se waarde op die volgende wyse toe:

*IT is op die bestuursagenda weens IT se prestasie rekord; hoë uitgawes op IT; die behoefte om IT te eksploteer en onbevredigende verduidelikings van IT se waarde. Bestuur is, derhalwe, bekommerd oor IT en wil graag IT beter beheer. Bestuur se kommer word gekondisioneer deur faktore soos hulle gemaksvlakke met IT; die besigheid/IT verhouding, asook bestuur se siening van IT as 'n besigheidshulpbron.*

*Verbeterde kontrole oor IT vereis onder andere dat IT effektief ge-evalueer moet word. Stappe om 'n effektiewe evalueringproses te verseker, moet kwessies aanspreek soos die beskikbaarheid van alternatiewe evalueringmetodes; die organisasie se houding jeens evaluering; beperkinge/foute in bykans alle evalueringmetodes; probleme om IT se waarde te definieer; en komplikasies rondom IT voordele en IT kostes.*

*As die IT evalueringproses se effektiwiteit nie verbeter nie, sal verduidelikings van IT se waarde steeds onbevredigend wees. IT sal dus op die bestuursagenda bly en bestuur se kommer oor IT se waarde sal voortduur.*

Die raamwerk toon twee breë benaderings om ontevredenheid met verduidelikings van IT se waarde te voorkom. Die eerste benadering is om die redes vir bestuur se kommer oor IT se waarde deeglik te verstaan sowel as om die toestande wat dit kan beïnvloed te eien. Die tweede benadering is om 'n effektiewe IT evalueringproses te verseker wat behels dat 'n stel onderling verwante IT evalueringkwessies aangespreek moet word.