

## *Issues & Opinions*

### **Comments on Bergeron**

In his article "Factors Influencing the Use of DP Chargeback Information," Bergeron presents an interesting and useful piece of research. The study's methodology and results are well documented. In the discussion section, however, Bergeron makes some assertions which do not appear to be consistent with the results presented.

Many academics, and probably more practitioners—if they have read this type of article at all—make a practice of selectively reading the abstract, the introduction, and the discussion section, depending on whether each part read retains their interest. They decide whether or not to read the middle of the article based on whether the rest seems interesting or important enough to warrant the effort of wading through methods and results. If people followed this practice without reading the results section of this article, they would come away with a very different impression from what they would obtain if they carefully looked at the results. Since an article may trigger other research or management decisions, it is important to clarify this.

The study looks for factors which affect the use of chargeback information. It identifies five possible factors (accountability, authority, cost variability, quality of information, and involvement) and advances an hypothesis about each one: that each factor is positively related to the use of chargeback information. Use of chargeback information is divided into chargebacks for development and operations. Each one is subjected to correlation analysis. All of the factors are significantly and positively correlated with both chargeback usage variables. Thus, all of the hypotheses are supported.

A further analysis is carried out. All five factors are used as independent variables in a multiple regression. Not all the factors have significant partial regression coefficients. Here is where inconsistency entered Bergeron's discussion.

Accountability and involvement have significant partial regression coefficients in the regression equations for both development and operations. Cost variability has a signifi-

cant partial regression coefficient only in the equation for operations. Bergeron tries to explain why cost variability is a predictor of chargeback information usage in one situation but not in another. The problem here is that this is not what the multiple regression tests. It tests the ability of variables to predict (account for variance in the dependent variable) in the presence of the other variables in the regression model. The zero-order correlations show that cost variability does have a positive relationship with chargeback information usage. The multiple regression shows that it does not account for additional variance beyond that accounted for by accountability and involvement in the case of development. Part of this is because accountability and cost variability are correlated 0.21 for development but only 0.09 for operations. When we take into account the small differences and error variance, it is risky to interpret this inconsistency at all. It could be due to the slightly different samples used for the development and operations analyses. With another sample the difference might swing the other way and cost variability would have a significant partial regression coefficient in both regressions.

Similar inconsistencies of interpretation appear concerning authority and quality, neither of which had significant partial regression coefficients in either model. Bergeron uses the expressions "rejection of user authority" and "surprising that the quality of the information" to describe the lack of significant partial regression coefficients. Again, taken separately, each variable is correlated with the measures of information usage. So neither is rejected. Put into the highly charged context of accountability and involvement, neither authority nor quality adds to the variance. This does not suggest that the user-managers reject these factors or think they are not important. A quite plausible alternative interpretation is that quality and authority are nice to have, but they are luxuries when you are being held accountable for costs—a situation which makes involvement in the budget process essential.

Bergeron concludes by suggesting that both development and operations users be held accountable for the DP costs and that they be involved in budget preparation. For operations, they should be charged in proportion to

tion to services used. One has to ask why. The implied reason is to encourage users to use chargeback information. It seems pertinent to ask why they should do that. Surely, there is a broader organizational objective such as DP cost control. Therefore, use of chargeback information is only an intermediate step to a larger end. Bergeron further asserts that quality and authority do not require attention. The positive zero-order correlations with chargeback information usage bely that. It may be more appropriate to investigate critical levels of quality, authority, and cost variability. It seems likely that at very low levels of quality chargeback information usage will drop off in spite of accountability because the information is not useful. At very low levels of authority chargeback information usage will

drop off in spite of accountability because the user has no influence on quantity of services used and therefore no influence over costs. Also, at very low levels of cost variability, chargeback information usage will drop off in spite of accountability because costs are relatively fixed.

Thus, Bergeron's results may well suggest to practitioners that all five factors require attention. Further research is necessary to understand the contingencies which affect when attention is necessary.

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