7 Conclusion and Outlook on Future Research

This thesis was motivated by the need to improve the understanding why outsourcing outcomes and performance are so ambiguous among various client firms and why so many outsourcing projects fail while others are extraordinarily successful. The underlying assumption of this work to be examined was that different expectations and motivations towards an outsourcing venture form different outsourcing client types. These types need a specific portfolio and appropriate approaches of governance modes in order to achieve outsourcing success.

While previous literature has mainly focused on describing plain outsourcing characteristics, listing outsourcing motives and recently addressing relationship management issues of an outsourcing venture, this thesis adopted a more differentiated view, considering contingency factors and the context of an outsourcing venture to describe different outsourcing relationship types and their appropriate management comprehensively.

It was found that out of the variety of different outsourcing expectations, four main categories of outsourcing motives exist:

1. Strategy and innovation focus, involving motives such as strategic advantages or joint product and service development;
2. Technology improvement and reliability involving IT motives such as IT modernization, state-of-the-art technology, reliability, and stability;
3. Business support and facilitator involving motives such as business impact, business support, service excellence, business flexibility, service orientation, and quality improvement; and
4. Cost focus involving cost reduction, variabilization of costs, and efficiency motives.

Building upon these expectation motives, a cluster analysis could classify four different client types of IS outsourcing relationships:

1. Business-efficiency clients
2. Cost-conscious smart shoppers
3. Strategists and innovation seekers
4. IT excellence and reliability-oriented clients.

These types could be characterized not only along their essential underlying outsourcing motives, but also along a number of descriptive attributes that form the client type. It could be shown that a “one-size-fits-all” governance approach for all clients is not sensible. Analyzing the governance model with the whole data set does not reveal customer-specific mechanisms that are appropriate for different client groups.
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Rather, each type has different governance modes in place that lead to the success of the outsourcing venture. The business efficiency clients have relational governance and governance via processes as their primary governance mechanisms. The cost-conscious smart shoppers have contractual governance and foremost the experience of their staff as the main governance approaches in place. The clients who strive for strategic advantages and innovation through outsourcing primarily use the two “classic” governance mechanisms: the outsourcing contract and relational governance. And finally, the results showed that for IT excellence and reliability-oriented clients, none of the six tested governance mechanisms were found to be an appropriate approach to govern the group. The group seems to be too heterogeneous to find governance modes that suit their expectations and characteristics. Instead, vendor flexibility seems to be a promising determinant for perceived service quality, but further analyses need to be conducted to find and examine appropriate governance mechanisms for this group.

These findings incorporate a number of insights and contributions that are valuable for both theory and practice and will thus be highlighted in the next chapters. Of course, this study also bears a number of shortcomings and limitations that will also be discussed in the following chapters before providing an outlook on and suggestions for future research directions.

7.1 Results and Contributions to Theory

In analogy to, e.g., Dibbern et al. (2008) or Gregor (2006), one can distinguish several kinds of theoretical contributions to Information Systems research depending on the goal and type of theory underlying this work. According to Gregor (2006, 619), theories can have several goals, i.e., analysis and description, explanation, prediction, and prescription. Similarly, Dibbern et al. (2008) distinguish (among others) between theory confirmation and theory extension. The following paragraphs will highlight the contribution of this work to selected categories of theory goals as put forward by Dibbern et al. (2008) and Gregor (2006).

Theory confirmation: Four dominant categories of outsourcing motives exist in practice

In accordance with the literature and with the theories underlying this thesis, i.e., mainly TCE, social exchange theory, and expectation confirmation theory, the empirical results gathered in this work could confirm four basic outsourcing motives. These findings help to condense and consolidate the myriad of outsourcing expectations in the literature to the core of outsourcing motives. It thus contributes to theory by clarifying the body of knowledge in the literature and helps to provide an informed decision which theories to apply in the context of the key outsourcing motives instead of focusing on derivates and variations of the actual underlying motive.

Theory analysis and description: Based on outsourcing expectations, four client types of outsourcing relationships could be distinguished and characterized

One of the main results of this work is having come up with a number of unique outsourcing client types with different characteristics. By combining and applying elements of transaction cost economics, social exchange theory, and expectation confirmation theory, the anatomy of these unique outsourcing client types could be described and characterized in a comprehen-