

2020

## Strategies for Managing Offshore Outsourcing for Business Sustainability

Idrissa Maiga Hamidou Issa  
*Walden University*

Follow this and additional works at: <https://scholarworks.waldenu.edu/dissertations>



Part of the [Business Commons](#), and the [Databases and Information Systems Commons](#)

---

This Dissertation is brought to you for free and open access by the Walden Dissertations and Doctoral Studies Collection at ScholarWorks. It has been accepted for inclusion in Walden Dissertations and Doctoral Studies by an authorized administrator of ScholarWorks. For more information, please contact [ScholarWorks@waldenu.edu](mailto:ScholarWorks@waldenu.edu).

# Walden University

College of Management and Technology

This is to certify that the doctoral study by

Idrissa Maiga Hamidou Issa

has been found to be complete and satisfactory in all respects,  
and that any and all revisions required by  
the review committee have been made.

## Review Committee

Dr. Alexandre Lazo, Committee Chairperson, Doctor of Business Administration Faculty

Dr. Ify Diala, Committee Member, Doctor of Business Administration Faculty

Dr. Neil Mathur, University Reviewer, Doctor of Business Administration Faculty

Chief Academic Officer and Provost  
Sue Subocz, Ph.D.

Walden University  
2020

Abstract

Strategies for Managing Offshore Outsourcing for Business Sustainability

by

Idrissa Maiga Hamidou Issa

MBA, University of Phoenix, 2008

BBA, Northwood University, MI, 2006

Doctoral Study Submitted in Partial Fulfillment

of the Requirements for the Degree of

Doctor of Business Administration

Walden University

April 2020

## Abstract

Ineffective offshore outsourcing strategies can contribute to unexpected and significant costs for businesses. Strategies to improve outsourcing outcomes are critical to business managers because often third parties contracted to implement offshore outsourcing fail to fulfil business managers' expectations who can benefit from understanding how to manage outsourced operations and anticipate potential problems. Grounded in transaction cost theory, cultural and customs theory, and the resource-based view theory, the purpose of this qualitative single case study was to explore strategies and processes business managers use to maintain their organization after the implementation of offshore outsourcing. The participants consisted of 3 managers who successfully retained outsourcing contracts from one organization located in the northern region of the United Kingdom. Data were collected from semistructured interviews and company documents. Thematic analysis was used to analyze data. The 3 themes that emerged were preparation before outsourcing occurs, accountability for both the business and the outsource provider, and continuous involvement in developing a successful business/provider relationship. The implications for positive social change include the potential for the outsourcer's country and the vendor's country to benefit from economic stimulation associated with the successful implementation of offshore outsourcing, contributing to employing community members, investing in infrastructure projects, and enhancing collaboration among local businesses.

Strategies for Managing Offshore Outsourcing for Business Sustainability

by

Idrissa Maiga Hamidou Issa

MBA, University of Phoenix, 2008

BBA, Northwood University, MI, 2006

Doctoral Study Submitted in Partial Fulfillment

of the Requirements for the Degree of

Doctor of Business Administration

Walden University

April 2020

## Dedication

I would like to dedicate this dissertation to my family. They were patient during the time I spent away from them working on this project, and I am very grateful to them.

## Acknowledgments

I would like to acknowledge the entire Walden University staff. My entire committee, and most especially Dr. Alex Lazo, have been instrumental during this process. I would also like to thank Libby Sciole for her patience and diligence as my editor.

## Table of Contents

List of Tables .....	v
List of Figures .....	vi
Section 1: Foundation of the Study.....	1
Background of the Problem .....	1
Problem Statement .....	2
Purpose Statement.....	3
Nature of the Study .....	3
Research Question .....	5
Interview Questions .....	5
Conceptual Framework.....	5
Operational Definitions.....	7
Assumptions, Limitations, and Delimitations.....	8
Significance of the Study .....	9
Contribution to Business Practice.....	9
Implications for Social Change.....	10
A Review of the Professional and Academic Literature.....	10



Search Strategy .....	11
Organization of the Literature Review .....	11
Transaction Cost Theory .....	12
Transaction Cost Theory and Outsourcing .....	16
Cultural and Customs Theory .....	19
Cultural and Customs Theory and Outsourcing.....	20
Resource Based View .....	23
Resource Based View and Outsourcing.....	26
International Business.....	28
Information technology in outsourcing.....	31
Factors affecting outsourcing success.....	34
Models for managing effective outsourcing .....	38
Transition .....	42
Section 2: The Project.....	43
Purpose Statement.....	43
Role of the Researcher .....	44
Participants.....	45

Research Method and Design .....	46
Research Method .....	46
Research Design.....	47
Population and Sampling .....	48
Ethical Research.....	50
Data Collection Instruments .....	51
Semistructured Interviews .....	52
Document Analysis.....	54
Data Collection Technique .....	54
Data Organization Technique .....	56
Data Analysis .....	57
Reliability and Validity.....	60
Reliability.....	61
Validity .....	61
Transition and Summary.....	63
Section 3: Application to Professional Practice and Implications for Change .....	65
Introduction.....	65

Presentation of the Findings.....	65
Theme 1: Preparation.....	66
Theme 2: Accountability.....	70
Theme 3: Continuous Involvement.....	75
Applications to Professional Practice .....	82
Implications for Social Change.....	84
Recommendations for Action .....	85
Recommendations for Further Research.....	86
Reflections .....	88
Conclusion .....	89
References.....	91
Appendix A: Interview Questions .....	104
Appendix B: Interview Protocol.....	105
Appendix C: Email Invitation to Participate.....	107

List of Tables

Table 1. Summary of Emergent Themes and Participant Acknowledgement .....66

Table 2. Theme 1: Interview Questions, Interpretation and Analysis, and  
Emergent Themes .....69

Table 3. Theme 2: Interview Questions, Interpretation and Analysis, and  
Emergent Themes .....74

Table 4. Theme 3: Interview Questions, Interpretation and Analysis, and  
Emergent Themes .....81

## List of Figures

Figure 1. Theoretical framework flowchart illustrating transaction costs attributes.....	13
---	----

## Section 1: Foundation of the Study

Business owners increasingly rely on offshore outsourcing to cut business costs, but offshore outsourcing does not always result in lowered business costs (Gurtu, Searcy, & Jaber, 2016). A significant source of unnecessary business expenses related to outsourcing results from poor management at offshore sites (Schermann, Dongus, Yetton, & Krcmar, 2016). For companies whose main motive is to reduce costs through outsourcing operations, the leadership team's ability to anticipate potential problems could help business managers avoid financial loss (Bahli & Rivard, 2017; Yap, Lim, Jalaludin, & Lee, 2016). The findings from this study confirmed conclusions from the existing literature regarding the need for business managers to implement strategies and processes at the front-end to ensure all parties understand expectations, institute fiscal consequences for the outsource providers failing to meet expected targets outlined in the contract, develop continuous communication protocols, ascertain accurate forecasting for the outsource providers, and employ continuous training practices for both new and current employees.

### **Background of the Problem**

The use of offshore outsourcing to reduce costs and increase profit margins is a frequently explored concept among business managers in the banking, medical, information technology (IT), and engineering fields (Bahli & Rivard, 2017; Lacity, Yan, & Khan, 2017). Current offshore outsourcing activities are a result of higher demands for increased productivity and business leaders' desires to reduce organizational costs by focusing internally on their companies' capabilities. During the 1980s and 1990s,

offshore outsourcing of operations activities became a standard for many organizations (Livanis, Robertson, Al-Shuaibi, & Hussain, 2016). Offshore outsourcing has become part of many organizations' strategic plans, and the number of firms using offshore outsourcing will likely continue to increase (Livanis et al., 2016). Between 2011 and 2016, U.S. operations increased their offshore outsourcing practices in both frequency and magnitude, resulting in over \$356 billion of revenue each year (Gummerus, Airaksinen, Bengtström, & Juppo, 2016). Business managers choose to implement offshore outsourcing based on the expectation that they will reduce business costs; however, postimplementation problems can significantly affect the actual outcome (Gurtu et al., 2016). These problems are likely to occur because business managers make poor choices regarding the facilitators, they choose to assist them in their outsourcing endeavors (Schermann et al., 2016).

### **Problem Statement**

In Europe, a growing number of companies uses offshore outsourcing to reduce organizational costs, yet many business managers struggle to maintain outsourced operations (Gurtu et al., 2016). Often third parties contracted to implement offshore outsourcing fail to fulfill business managers' expectations (Livanis et al., 2016). Failures can occur for reasons such as a lack of language proficiency or an inability to act effectively when issues arise (Schermann et al., 2016). Offshore outsourcing implementation contracts cost companies in the European Union over \$5.5 billion in the first three months of 2015 (European Union Statistical Office, 2015). The general business problem is that despite the wide acceptance of offshore outsourcing as a viable

method for reducing operating costs, many business managers experience unexpected and significant costs associated with offshore outsourcing. The specific business problem is that some business managers lack strategies to maintain their operations after implementing offshore outsourcing contracts.

### **Purpose Statement**

The purpose of this qualitative single case study was to explore strategies and processes business managers use to maintain their organization after the implementation of offshore outsourcing. The population for this study consisted of three managers from one organization located in the northern region of the United Kingdom who have successfully retained outsourcing contracts. The results of this study may contribute to organizational growth, which can contribute to social progress through the support of the local communities by employing community members, investing in infrastructure projects, and enhancing collaboration among local businesses.

### **Nature of the Study**

Researchers may choose quantitative, qualitative, or mixed methodologies for their studies. Researchers use qualitative methods to provide a rich description of the subject matter under study by analyzing participant responses and experiences (Saunders, Lewis, & Thornhill, 2016). A qualitative research method was appropriate for this study because the goal was to provide a rich description of how some business managers successfully maintain operations after implementing offshore outsourcing contracts. Alternatively, researchers use the quantitative method to test the relationships and differences among variables through numerical data (Antwi & Hamza, 2015; Saunders et



al., 2016). Researchers may also use the mixed-method approach focused on collecting, analyzing, and integrating both qualitative and quantitative methods in a single study or series of studies (Bahli & Rivard, 2017). Neither the quantitative method nor the mixed method was suitable because this study was not intended to develop or test hypotheses through enumeration of data.

Researchers using a qualitative methodology may choose from phenomenological, ethnographical, historical, and case study designs (Yin, 2018). The phenomenological design involves trying to understand the essence of a phenomenon by exploring the views, actions, and motivations of people who have experienced that phenomenon (Runfola, Perna, Baraldi, & Gregori, 2017). The phenomenological design was not appropriate for this study because the intent was to understand the strategies and processes business managers use to manage their outsourced operations, not their motivations. Researchers use the ethnographical design to describe a group's culture and they use the historical approach to examine past events (Yin, 2018). Neither the ethnographical design nor the historical approach was appropriate for this study. In contrast, researchers use the case study design to gain insight into a problem by seeking detailed information from one or more participants (Mills, Harrison, Franklin, & Birks, 2017; Yin, 2018). The case study design was the most appropriate for this study because the goal was to describe the strategies and processes some business managers use to maintain operation after implementing offshore outsourcing.

### **Research Question**

The primary research question for this study was: What strategies and processes do business managers use to maintain their operation after implementing offshore outsourcing?

### **Interview Questions**

The interview questions used to answer the primary research question were:

1. What strategies did you use to monitor the outsourcing contracts?
2. How do you implement outsourced offshore operations?
3. What processes did you use to monitor the outsource contracts?
4. What unanticipated challenges did you encounter during the implementation phase of offshore outsourcing?
5. What challenges did you encounter after implementing offshore outsourcing?
6. How did you solve problems you encountered both during and after the implementation of offshore outsourcing?
7. What additional information would you like to add that I did not ask?

### **Conceptual Framework**

The conceptual framework of this study consisted of Williamson's (1979) transaction cost theory (TCT), the cultural and customs theory (Coyle, 2018), and the resource-based view (RBV) theory (Wernefelt, 1984). Concerning TCT, Williamson (1979) posited that firms should only outsource their operations when the transaction costs are less than the cost of hiring and managing the employees for the operation, indicating that the outsourcing company should choose carefully when engaging third

parties to facilitate their offshore outsourcing. Business managers should require an offshore outsourcing contract with the provider before making any actual investment (Aubert, Houde, Rivard, & Patry, 2017; Liang, Wang, Xue, & Cui, 2016; Schermann et al., 2016). The failure of business managers to secure a contractual agreement before initiating outsourcing can jeopardize the firm through unanticipated costs and can put the outsourcing firm in a vulnerable position (Cruz, Munasinghe, & Warford, 1998; Hsieh, Huang, & Lee, 2016). The key concepts of TCT include franchise contracting, make-buy decisions, and the integration and efficient boundaries of a business (Lorentz, Kumar, & Srai, 2018; Schermann et al., 2016). TCT is an economic theory that enables firms to control risks and uncertainty (Williamson, 1979). TCT also provides a theoretical lens for analyzing how business managers maintain operation after the implementation of offshore outsourcing (Hsieh et al., 2016).

The interaction between cultural and social institutions is acknowledged as shared, interactive, and intricate (Warren, 2017). Culture creates institutions of thought and these institutions influence culture. Cultural values and beliefs act to legitimate and normalize the institutional arrangements of societies (Awan, Kraslawski, & Huiskonen, 2018; Chang & Búrca, 2016). International outsourcing involves properly aligning two or more cultures' languages, practices, and sets of values to properly achieve a shared goal, and it depends on the ability of nations to understand and treat one another as economic bodies within the same system (Dahlgrün & Bausch, 2019).

RBV is a conceptual framework used to analyze how competitive a business is in the market and how effectively it is using its resources (Wernefelt, 1984). The outsourced

resource is still a company resource, and therefore, it can be analyzed using RBV. RBV places value on a company's ability to have unique resources that give them an advantage (Hitt, Xu, & Carnes, 2016; Verwaal, 2017). However, IT resources do not seem to fit that requirement. After all, there is a growing population who is extremely technologically literate, and if a company is outsourcing IT services, the company it outsources to could be providing the same service to a competitor (Duncan, 1998; Lorentz et al., 2018). However, the ways the company outsources could be different as well as the resources they can gain from IT outsourcing (Duncan, 1998). One company could have more resources available to pay to outsource IT needs, which would likely pay for more services in return; the result is that their outsourced IT remains a unique resource, as they are receiving more return on their investment. Also important is the idea that the use of RBV results in analysis of the management of resources (Verwaal, 2017). An effectively managed outsourced IT department has much more value than a poorly managed one, which gives the well-managed company a competitive advantage (Duncan, 1998). All three of these theories relate to the strategies and processes business managers can use to maintain their organizations after the implementation of offshore outsourcing.

### **Operational Definitions**

This study includes several terms that need a definition for readers to gain a better understanding of their use. The definitions of these terms are as follows:

*Offshore outsourcing*: This refers to locating an activity outside the boundaries of the firm (Munjal, Requejo, & Kundu, 2018). This implies that the company buys

intermediate goods and services on the external market rather than internalizing these tasks within its own organization (Grillo-Espinoza, Mula, Martinez, & Errasti, 2018).

*Outsourcing contracts:* An agreement between a company and a service provider in which the service provider commits to providing needed services, such as information management, data processing, and supplying its own staff and equipment in a separate location from the contracting company (Livanis et al., 2016).

*Outsourcing management:* The management involved in sending any number of job functions outside of a company rather than handling them in house (Schermann et al., 2016).

*Resources:* Anything a business has access to, literally or intellectually, that it can use to build a competitive edge over another business (Wernefelt, 1984).

*Resource based view (RBV):* A conceptual framework used to analyze how competitive a business is in the market, as well as how effectively it is using its resources (Wernefelt, 1984).

*Transaction cost theory (TCT):* A theoretical framework used by researchers to understand how companies can or should make decisions based on the potential transaction costs of any given decision (Williamson, 1979).

### **Assumptions, Limitations, and Delimitations**

Assumptions are those elements that may affect the study and are not within the researcher's control (Saunders et al., 2016). In this study, I assumed that all participants had significant knowledge about implementing offshore outsourcing. A second assumption was that each of the business managers had encountered different challenges

related to maintaining their operation after implementing offshore outsourcing.

Additionally, I assumed that all the business managers would answer interview questions in a similar manner, despite differences in experiences. A final assumption was that each of the participants would be willing to participate and would be honest in their responses.

Limitations in research are those parts of a study that are beyond the control of the researcher (Antwi & Hamza, 2015). One limitation of this study was the personal biases of participants regarding strategies effective for facilitating offshore outsourcing. Some of the participants may not have wanted to offend outsourcing partners or negatively influence potential business opportunities and may not have shared the full scope of their thoughts and experiences. Limitations may also have resulted from time constraints during interviews, as there was a limit to the depth of information gathered. Lastly, the participants' knowledge of the subject may have limited the results of this study.

Delimitations are boundaries within a study that the researcher has established as potential limits to the scope of the study (Saunders et al., 2016). The primary delimitation in this study was that the focus was only on the offshore outsourcing of businesses located in Northern Europe. I was only able to collect data from Northern Europe, which delimited the number of participants I used in this study. Because of the limited focus, the findings may not apply to strategies used by managers in other areas.

### **Significance of the Study**

#### **Contribution to Business Practice**

The results of this study may be of value to business managers by providing successful strategies and processes for implementing offshore outsourcing.

Understanding how to manage outsourced operations can benefit business managers by providing strategies to help them anticipate potential problems, such as the outsourced operation failing to meet delivery deadlines or quality standards. For companies whose main motive is to reduce costs through outsourcing operations, the leadership team's ability to anticipate potential problems could help business managers avoid financial loss (Bahli & Rivard, 2017; Yap et al., 2016). Furthermore, the results of this study may contribute to organizational growth, which can contribute to social progress. This growth may occur through the support of the local communities employing community members, investing in infrastructure projects, and enhancing collaboration among local businesses.

### **Implications for Social Change**

There are several implications for social change possible from the results of this study. The outsourcing country and the vendor's country can both benefit from the economic stimulation associated with the successful implementation of offshore outsourcing (Gummerus et al., 2016; Munjal et al., 2018). The vendor country can experience economic development through facilitating outsourcing contracts, and the outsourcing country can benefit by being able to offer more cost-effective products and solutions. The results of this study may help business managers to avoid unsuccessful outsourcing contracts, which may cause their organization to fail and result in fewer jobs in local markets.

### **A Review of the Professional and Academic Literature**

The purpose of this qualitative single case study was to explore strategies and processes business managers use to maintain their organization after the implementation

of offshore outsourcing. The population for this study consisted of three managers responsible for outsourcing contracts located in the northern region of the United Kingdom. The results of this study may contribute to organizational growth, which may contribute to social progress through supporting local communities by employing community members, investing in infrastructure projects, and enhancing collaboration among local businesses.

### **Search Strategy**

A review of academic journal articles, dissertations, and other materials from the Walden University Library guided this literature review. The precise databases used included Academic Search Elite, EBSCOhost, Google Scholar, numerous business journals, ProQuest, and SAGE Publications. The search criteria included the following terms: *asset specificity, bargaining costs, business risks, contracting company, data processing, external markets, franchise contracting, information management, make-buy decisions, offshore outsourcing, outsourcing contracts, outsourcing management, and uncertainty*. In reviewing the literature, I incorporated 62 sources, 60 of which were peer-reviewed references at 98% and 52 of which were published in 2015 or later at 85%.

### **Organization of the Literature Review**

The literature review consists of an exploration of TCT (Williamson, 1979), cultural and customs theory (Coyle, 2018), and RBV and outsourcing (Wernefelt, 1984). All three of these theories relate to the strategies and processes business managers can use to maintain their organizations after the implementation of offshore outsourcing. Following the theories used in this study, I reviewed several topics connected to the



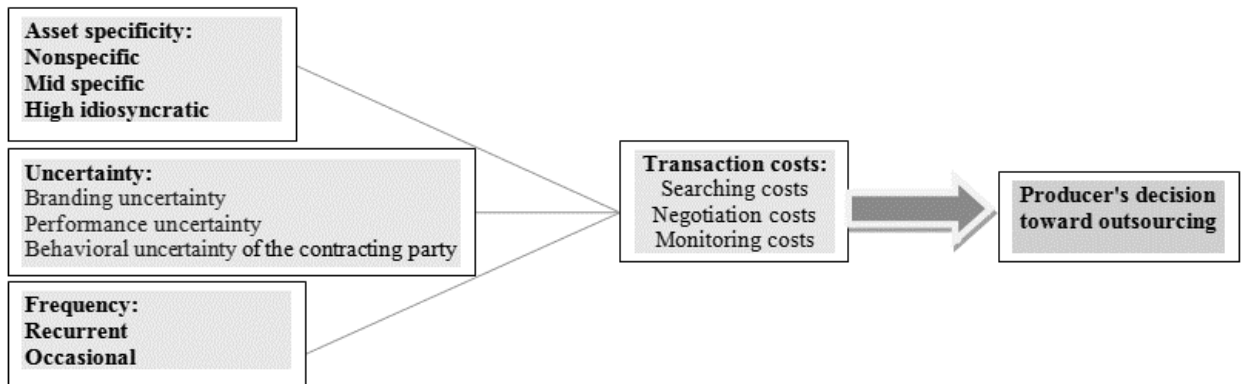
problem statement and related to business managers' use of strategies to maintain their organizations after implementing offshore outsourcing. The topics reviewed include (a) international business, (b) IT in outsourcing, (c), factors affecting outsourcing success, and (d) models for managing effective outsourcing.

### **Transaction Cost Theory**

The conceptual framework of this study consisted of Williamson's (1979) TCT, which is a theoretical framework used by researchers to understand how companies can or should make decisions based on the potential transaction costs of any given decision. The key concepts of TCT include franchise contracting, make-buy decisions, and the integration and efficient boundaries of a business (Geyskens, Steenkamp, & Kumar, 2006; Hsieh et al., 2016; Schermann et al., 2016). TCT is an economic theory that enables firms to control risks and uncertainty (Williamson, 1979).

Transaction costs are the costs a business or organization will experience given the result of a specific transaction (Kumar, Van Dissel, & Bielli, 1998). A transaction cost could be the cost of a contract negotiation, known as *bargaining costs* (Kumar et al., 1998). Generally, business managers identify transaction costs as external and internal (Aubert et al., 2017; Ketokivi & Mahoney, 2016). The difference between external and internal transaction costs is often based on which area of the business the manager determines incurred the cost. External costs are those associated with doing business externally, or with external stakeholders (Ketokivi & Mahoney, 2016). Contract negotiations and bargaining costs fall with outside partners, making them external

transaction costs (Aubert et al., 2017). Another example of an external transaction is uncertainty, as displayed in Figure 1.



*Figure 1.* Theoretical framework flowchart illustrating transaction costs attributes (adapted from Williamson, 1979).

In this case, uncertainty pertains to the external relationship and is based on the length of the relationship, the amount of trust between parties, and the extent of closeness of the relationship (Aubert et al., 2017). The mitigation of the costs occurs by centering some of these actions and relationships internally. Conversely, internal transaction costs happen within a business, such as between departments (Aubert et al., 2017). An example of an internal cost is the behavior of internal stakeholders, such as a department director's motivation to act. Another example of an internal cost is asset specificity, also shown in the chart above, which is how much a specific person will gain from a decision (Ketokivi & Mahoney, 2016). When combined with the certainty of an action's discovery and the frequency with which it occurs, leaders of an organization can use asset specificity to help predict managerial behavior and decision making (Ketokivi & Mahoney, 2016).

Business leaders use TCT to analyze external and internal costs, as well as their effects, to help them make business decisions (Kumar et al., 1998). Uncertainty, external transaction costs, and asset specificity, as well as internal transaction costs, come together as the transaction costs analyzed using TCT, which business leaders use to understand the costs of their decisions. Alternatively, when business leaders do not analyze transaction costs before making decisions, they risk negative outcomes (Lee, 2017). Figure 1 does not provide information regarding the ways different transaction costs could be weighted. Transactions are complicated, especially because of the unpredictable element of humanity, so business leaders must analyze costs differently (Ketokivi & Mahoney, 2016).

Beyond viewing transaction costs separately, other costs of a business are not the focus of this theory of economics. In particular are production costs, which are the costs of the creation itself (Kumar et al., 1998). One space where this distinction is particularly relevant is in IT outsourcing, which often uses TCT to inform the decision on whether to outsource (Hsieh et al., 2016). In those situations, the production cost tends to be lower, so the transaction cost is more pertinent and therefore more valuable in many outsourcing decisions. Regardless, TCT focuses on transaction costs over production costs. One potential critique of this theory is that TCT is not based on analyzing transaction costs and production costs. Despite this, many business leaders find it a worthwhile theory. Broadly, using TCT can help researchers understand the way decisions are made that produce the most efficient economic outcomes (Aubert et al., 2017). More precisely, TCT helps firms understand how companies make decisions based on other companies and

mutually beneficial relationships (Hsieh et al., 2016; Ketokivi & Mahoney, 2016).

Beyond that, using TCT allows business leaders to gain a greater understanding of the costs and benefits of potential decisions. However, before a firm can reach these results, they must first pay the cost (Ketokivi & Mahoney, 2016; Lee, 2017).

Business leaders accept transaction costs as an important part of business and economics and have considered them so for some time. However, using those costs to analyze decision making is a relatively recent change in perspective. This shift began with Ronald Coase in 1937, when he recommended highlighting the significance related to a knowledge of transaction costs (Nujen, Halse, Damm, & Gammelsæter, 2018). However, the broader expansion of this idea into modern TCT did not come until later. TCT began to develop in the 1960s and 1970s in response to an increasingly global economy (Hsieh et al., 2016). The leaders of increased numbers of countries were beginning to face the decision of whether they should make their own goods or pay for goods made elsewhere. This decision, known as the make-or-buy decision, is the decision of whether to outsource, which is often made using TCT (Ketokivi & Mahoney, 2016). This form of TCT was primarily developed by Williamson (1979), who offered a potential solution for the growing problem of how to navigate complex business relationships. However, TCT is unable to offer a solution to every possible concern (Ketokivi & Mahoney, 2016). When a company chooses to outsource and creates a contract, the terms of the contract cannot possibly attend to every possible detail or contingency in the relationship. Those who are involved in the contract have more information and can make informed decisions (Hsieh et al., 2016). However, TCT seeks

to analyze the potential costs, which companies can then minimize before they arise (Ketokivi & Mahoney, 2016). While it is accepted that transaction costs are not a new theory in economics or business, using those costs to analyze decision making is a relatively recent change in perspective, beginning in the 1990s (Hsieh et al., 2016). Organization theory has particularly affected this shift and vice versa.

### **Transaction Cost Theory and Outsourcing**

Business leaders can use TCT to explore the costs and effects of outsourcing. More specifically, TCT is a framework that leaders often use to weigh the costs and benefits of outsourcing IT operations (Gurung & Pratter, 2006). Business leaders use TCT to complement their decisions about outsourcing as a prior step used to inform that decision. Since the mid-20th century, TCT has been used to determine whether outsourcing was a prudent measure. Meanwhile, the make-or-buy decision, regarding whether to manufacture a product domestically or internationally, has become a major question for multinational companies (Ketokivi & Mahoney, 2016). As more companies begin to outsource their IT operations, TCT is becoming increasingly popular as a method for analyzing and making informed decisions concerning outsourcing (Grillo-Espinoza et al., 2018; Gurung & Pratter, 2006; Hsieh et al., 2016). By using factors such as contract prices, uncertainty measures, and other costs, companies can make better informed decisions (Schermann et al., 2016).

There are different costs business leaders should explore when considering an outsourcing decision (Gerbl et al., 2015). The first are production costs, which deal strictly with the manufacturing of a product and include costs related to materials and

labor (Gerbl et al., 2015). A second group of costs identified are transaction costs, which involve vendor oversight, quality control, and contract management with vendors (Kaipia & Turkulainen, 2016). Challenges with performance management, performance measurement, and the number of suppliers involved can all put strains on outsourcing practices (Gerbl et al., 2015; Nujen et al., 2018). These challenges occur because after business leaders make the decision to outsource, the relationships between managers and manufacturers changes; instead of focusing on refining the quality of new products, managers and manufacturers focus instead on streamlining the production process, compartmentalizing and integrating labor, and maintaining consistent quality (Kaipia & Turkulainen, 2016). Researchers determined this through interviewing management personnel from the food and electronics industries and deconstructing the priorities and practices of the different stages of production (Kaipia & Turkulainen, 2016). Having a more complete awareness of what goes into TCT implementation, regarding the proper prioritization of manufacturing-related issues, is critical to improving cost-effectiveness and productivity.

Through a TCT-driven analysis, researchers determined that newer businesses tend to focus on outbound open innovation rather than inbound open innovation (Schermann et al., 2016). Whereas, smaller businesses with uncertainty regarding market behavior, smaller groups of employees, and limited transaction frequencies all tended to focus on outbound open innovation (Hsieh et al., 2016). Leaders of growing businesses with goals to expand may demonstrate their growth and innovation to external actors;

which may occur through expanding production through outsourcing, as increased production is an indicator of a healthy and growing business (Pellicelli, 2018).

Researchers explored the connection between TCT and outsourcing when studying the factors regarding location attractiveness in outsourcing (Gerbl et al., 2015; Hsieh et al., 2016). More specifically, the authors sought to understand the factors, which drew business owners and managers to offshore outsourcing, rather than nearshore, and vice versa. The companies studied by Gerbl et al. (2015) had location scouting practices, which overlapped the ideas behind TCT. Specifically, business leaders looked for areas with low labor costs and skilled labor workforces while considering cultural, linguistic, and time zone differences. Although TCT practices often provided a helpful framework for understanding practical matters relating to outsourcing, leaders must use caution, as contradictory interpretations of TCT may lead to unproductive decisions, which ultimately hinder business growth (Hsieh et al., 2016). Business leaders were cautioned about possible issues resulting from combining TCT with the RBV, the tenets of which identify the firm as a collection of assets and resources that must be allocated properly to generate competitive advantage (Gerbl et al., 2015). The use of TCT is designed to make the most responsible decisions based on the potential costs of a given decision, but business leaders use RBV to make the most responsible business decisions based on the best possible allocation of assets and resources. Whereas TCT is more defensive in nature, RBV is more aggressive (Hitt et al., 2016; Lorentz et al., 2018).

Ultimately, the use of TCT offers a comprehensive, in-depth strategy, which allows managers to better understand the implications of outsourcing and its possible

impacts on their businesses. Business leaders can use TCT to analyze expected business growth, productivity, expected costs, and conduct cross-cultural analyses (Hsieh et al., 2016). Outsourcing involves blending different cultures, an expansion of business, changes in quality controls, and tremendous financial investment (Gorodnichenko et al., 2018). Managers looking for a productive, efficient, and convenient means of improving their business' output, should consider the comprehensive approach of TCT for determining internal and external costs when approaching outsourcing.

### **Cultural and Customs Theory**

A discussion on culture, and its contribution to the creation of social institutions, is vitally important in understanding human-environment interactions. Culture is what individuals know, think, and feel about the world, based on their perceptions. It is also what individuals learn through others' interpretations of the world (Coyle, 2018). Culture is pervasive and a component of all individual experiences. As such, culture gives rise to social institutions of thought (Gorodnichenko et al., 2018). However, culture and institutional dynamics are complex.

Many acknowledge the interaction between culture and social institutions as shared, interactive, and intricate (Warren, 2017). Therefore, culture creates institutions of thought and these institutions influence culture. Cultural values and beliefs act to legitimize and normalize the institutional arrangements of societies (Awan et al., 2018; Chang & Búrca, 2016).



### **Cultural and Customs Theory and Outsourcing**

International outsourcing involves properly aligning two or more cultures' languages, practices, and sets of values to properly achieve a shared goal and depends on the ability of nations to understand and treat one another as economic bodies within the same system (Dahlgrün & Bausch, 2019; Gorodnichenko et al., 2018). In an integrated, multinational company, this is especially true; a multinational company must learn how to properly understand the varying economic beliefs, cultural values, and work behaviors of people in many different countries. Understanding the cultural theory of an organization can influence an individual's knowledge concerning how the ways individuals live dictate the way they behave (Coyle, 2018). Outsourcing represents a blending of multiple cultures; without adequate cross-cultural participation, meaningful interrogation of multicultural economic beliefs, and a communicative, collaborative mindset, outsourcing becomes virtually impossible (Gorodnichenko et al., 2018).

Fully conceptualizing the multifaceted approach necessary to properly integrate groups of people from two different countries is difficult, particularly in a budget-minded business setting. In one study, Warren (2017) concisely summarized the possible obstacles in international outsourcing. The main topic of discussion related to the tremendous obstacles the necessity of translation presents to small- and medium-sized companies, includes gaps in cultural belief systems; attitudes toward education; conventions of language, including syntax and context; patterns of argumentation; and attitudes regarding the products being manufactured, which complicate technical communication with nonnative English speakers (Warren, 2017). Warren (2017), as well

as Awan et al. (2018), understood large companies to have ample resources for hiring efficient translators.

The focus of cultural and customs theory is how outsourcing creates social and political situations with meaningful impact on the workplace environment. For example, organizations are inherently biased and they forge their identities through these biases (Coyle, 2018). It has been pointed out that a firm's identity prioritizes certain members of its organization over others, and the prevailing behavioral mode is determined by that prioritization (Coyle, 2018). This prioritization can foster problematic relationships between outsourcing management and outsourced workers. In one study, Chang and Búrca (2016) studied three small London-based firms' experiences with offshore IT outsourcing, all of which had cultural clashes with their outsourcing providers. Two of these companies had past experiences with offshore outsourcing, which they deemed unprofitable. One of the firms worked with an offshore group from India, and found that the agreeability of the group begat inefficiencies; while another firm worked with an Armenian provider and spoke of similar challenges. The final firm worked with a Serbian provider, and a representative from this firm described the Serbians as aggressive and rude from a U.K. point of view (Chang & Búrca, 2016).

Differences in culture manifest in both the outsourced workplace and within the political dimensions of outsourcing (Awan et al., 2018; Chang & Búrca, 2016; Gorodnichenko et al., 2018). If the business leaders of a company do not adequately understand the social conventions of an area to which they intend to outsource work, they cannot impose protocol to counteract cultural gaps (Awan et al., 2018). Without an

understanding regarding how employees and employers communicate, the cultural etiquette of the different areas, and the outsourced laborers' thoughts on foreigners, the outsourcing business leaders cannot understand what to expect (Gorodnichenko et al., 2018). Similarly, it is perhaps worthwhile for outsourcers to take time to understand the sociopolitical history their country may have with countries they are considering outsourcing to. In the case of the Chang and Búrca's (2016) study, the implications of a British company outsourcing to India were not fully explored. However, one respondent cited Indian ancestry as a reason the business leader expected to have a more fruitful working relationship with the firm's outsourced workers.

When outsourcing companies use aggressive tactics with their outsourced workers, they may stand to make greater financial gains (Dahlgrün & Bausch, 2019). Outsourcing practices are understood as opportunities used by firms, those of which originate from more aggressive cultures may beget greater stock gains (Dahlgrün & Bausch, 2019). Alternatively, researchers who investigated practices Saudi Arabian companies use to outsource work, described a *South to South trade direction* and found that Saudi Arabians actively looked for more culturally homogenous workers (Livanis et al., 2016). The data suggested that Saudi Muslim managers consistently prefer to outsource to Muslim countries, regardless of their development status. This is supported by Shaw (2015), who asserted company behavior is determined by the culture of its employees, and opportunistic practices, in which the purchaser appears not to be invested in the well-being of the supplier, are more common among companies originating from countries with less cultural collectivism. In addition, Gorodnichenko et al. (2018) defined

assertive cultures as more aggressive and individualistic, with low levels of institutional collectivism; with institutional collectivism used as a measure of the value a given society places on the communal pooling and equitable distribution of resources. Furthermore, analysis of stock market reactions to companies' public announcements of new outsourcing practices suggested this is true (Dahlgrün & Bausch, 2019). The researchers argued that the logic of postcolonialism, regarding the masculine, active, individualist global North stands to benefit from taking *de facto* economic control over the feminized, passive, collectivist global South, thereby benefitting most from the market (Dahlgrün & Bausch, 2019). The results of this logic indicate a shift toward institutional collectivism in outsourcing practices in the developing world, and may have greater implications for the economic emergence of countries like China and India (Awan et al., 2018; Gorodnichenko et al., 2018).

### **Resource Based View**

RBV is a conceptual framework used to analyze how competitive a business is in the market, as well as how effectively leaders are using its resources (Wernefelt, 1984). Leaders adhering to RBV use the resources of a business as a key data points in the analysis, alongside other, less tangible variables, like how a business can encourage cooperation, overall business performance, the ways a business can use resources, and strategy in how the business operates and grows (Hosskisson & Gambeta, 2017). Resources are often considered to be anything, literally or intellectually, a business has access to that it can use to build a competitive edge over another business (Wernefelt, 1984). A company's employees are an example of a resource, because of the added value

they can add to the business' operations (Lorentz et al., 2018). In addition, the RBV emphasizes stakeholders as an important aspect of gaining—and maintaining—an advantage (Wernefelt, 1984). An employee could be an example of a stakeholder, as their satisfaction is required for them to stay and continue adding value to a company. Another example of a stakeholder is a customer, because without their purchase, the company has no reason to exist and no finances to remain competitive (Hitt et al., 2016; Verwaal, 2017).

Within the framework of the RBV, there are different approaches to analysis. The classical framework, developed by Wernefelt (1984), is based on the premise that businesses each have their own assortment of resources used to create value elsewhere, such as with new goods or services. Another possible lens through which one can analyze the RBV is that the organization's power and resources are based on stakeholders, and the company must harness the power of stakeholders to have a greater outcome (Lorentz et al., 2018). When stakeholders are interested in the outcomes, they are more likely to invest in the company. This is true for shareholders, as they have a financial incentive to support the company and help it grow, but also for stakeholders such as the consumer. A customer who does not own stock in a company can still have an investment in its success, as they may desire a new iteration of a product, or for a favorite product to remain on the shelves. A second perspective for viewing the RBV relates to the type of resources the company has available (Verwaal, 2017). Resources that the company has that others may not have, such as those that are rare, one-of-a-kind, or valuable, give the

owner an advantage (Wernefelt, 1984). The reproduction of such product is limited, so they will continue to be competitive if the demand remains (Hitt et al., 2016).

The idea of *valuable, rare, inimitable, and nonsubstitutable* (VRIN) resources increases opportunities for the business owners, because they can create a niche to fill (Hitt et al., 2016; Wernefelt, 1984). Their best interest is to maintain that advantage for as long as possible by being good stewards of those resources. One way they can do that is by engaging stakeholders, such as employees, customers, and even suppliers (Lorentz et al., 2018). An engaged, supportive employee will perform better, which will widen the company's advantage and ensure the employee helps the company maintain its VRIN resources. One-way employers can encourage this is by providing opportunities for stakeholders to make *firm-specific investments* (FSIs), which are investments that allow the firm to become more competitive because of the outcome (Hoskisson & Gambeta, 2017). Therefore, allowing an employee to build a skill set that makes them more competitive and supports the business's goals is an FSI; the firm benefits because the employee has the skill and presumably, competitors do not have access to the same set of skills in their employees. This is important in RBV models because the FSIs add to a business's resources. The downside to FSIs is that becoming hyper-specialized in one position is not in the best interest of the stakeholder (Hitt et al., 2016). As a result, the company must compromise and offer some benefit to the employee — then, the employee is likely to proceed with the FSI, which benefits both the company and the employee.

Overall, the use of the RBV allows companies to not only analyze their own resources, but also determine how they compare to other businesses (Verwaal, 2017). Such comparison occurs most frequently in the use of the RBV to assess management practices and organizational capacity (Penrose, 1959). However, just having resources is not enough to gain and sustain a competitive advantage. Instead, the organization must have strong enough managers and leaders to effectively use the resources they have, and develop stronger resources (Hitt et al., 2016). Strategy as a resource is one business leaders can analyze using the RBV, specifically strategies that are hard to understand or replicate (Penrose, 1959). If a manager has access to a strategy they could use to give the business a competitive advantage, but they are incapable of effectively utilizing the strategy, the RBV would dictate that the company has no advantage (Barney, 1991).

### **Resource Based View and Outsourcing**

Outsourcing is the practice of a business leader taking a task or set of tasks and creating a situation in which the direct employees do not complete said tasks (Verwaal, 2017). A large company may choose to outsource its IT resources. Outsourcing occurs for several reasons and can have a variety of benefits and downfalls (Lorentz et al., 2018). Regardless, the outsourced resource still belongs to the company and therefore they can analyze it using the RBV.

Business leaders use the RBV to place value on a company's unique resources that give them an advantage. However, IT resources do not seem to fit that requirement. There is a growing population that is extremely technologically literate, and if a company is outsourcing IT services, the company it outsources to could very well be providing the

same service to a competitor (Hitt et al., 2016). However, the ways in which the company outsources could be different — and the resources that they could gain from the IT outsourcing could be different (Duncan, 1998; Lorentz et al., 2018). In such an instance, a company could have more resources available to pay for outsourced IT needs, which would likely pay for more services in return; the result is that their outsourced IT remains a unique resource, as they are getting more return on their investment. Also important is the idea that business leaders use the RBV to analyze the management of resources (Verwaal, 2017). An effectively managed outsourced IT department has much more value than a poorly managed one, which gives the well-managed company the advantage (Duncan, 1998).

There are also several different methods and reasons a business may choose to outsource, all of which are related to the RBV (Spithoven & Teirlinck, 2015). A business may outsource because the existing team does not have the necessary skill set, and the company cannot or does not want to hire more people, which as the capacity builds could add to the RBV. Alternatively, perhaps the managerial staff was more effective at their jobs if the outsourcing of one task occurs, which could also add to the RBV (Hitt et al., 2016). Regardless of the logic behind outsourcing, the decision does not occur in a vacuum, and the other resources — or lack thereof — affect the company's final choice to outsource (Spithoven & Teirlinck, 2015). As a result, business leaders must consider the RBV, to maximize the resources, efficiency, efficacy, and advantage of the company.



## **International Business**

International business has always been a complicated, nuanced process involving alliances between countries and those involved rely on a variety of techniques.

International alliances are a collaborative agreement between multiple businesses based in different countries (Lojacono, Misani, & Tallman, 2016). International companies manage their overarching business at their global headquarters, where they can communicate with branches located in other countries, as well as with outsourced work that has been offshored (Lojacono et al., 2016). Offshoring linked with economic, political, legal changes, and socio-demographic trends, tend to occur when companies spread their needs to specific locations that can meet goals quickly and effectively (Lee, 2017). However, with so much coordination from top to bottom, and projects split between multiple countries, there has been a big risk for inefficient work and disappointing end results (Lee, 2017). The continued growth of technology and the intangible nature of operations have shown to lead to poor results (Wang, Liu, & Canel, 2018). As a result, companies have suffered from extra costs, delayed deliveries, and unfulfilled requirements, which lead to increased disorganization and tarnished relationships (Wang et al., 2018).

Studies on the product-cycle theory have helped show the trends of how international businesses move toward offshoring. The premise of the product-cycle theory proposed that businesses in the North produced goods by themselves when the product was new, but production moved to the South as it became more established (Wang et al., 2018). He and Yu (2018) observed that there are two trends in how

companies developed the product cycle when studying consumer electronic businesses. The company SONY began production in their home country of Japan, moved production to a subsidiary in a country with lower wages, and then finally outsourced the work to independent manufacturers (He & Yu, 2018). On the other hand, the company Emerson produced goods in their own country and then went straight to outsourcing productions (He & Yu, 2018). The production of home appliances is another industry that has had a history of international deals and offshore outsourcing (Lojacono et al., 2016). While offshore production has been built on contractual alliances, the nature of the manufacturing industry made companies more likely to invest in a joint venture (Lojacono et al., 2016). Because of international commerce, local suppliers from developing economies were often found to be weak compared to their international competitors who are housed in developed countries (Wang, Zhang, & Jiang, 2019; Yap et al., 2016).

According to the available literature, one of the major landmarks of success for an international business is its ability to create a product that is high quality, affordable, and cost-efficient. The *quality ladders* model of the product cycle is central to overall product quality and occurs due to the South's imitation (He & Yu, 2018). The North exports to developed countries before developing countries, so there is a gap in the market and developing countries buy lower-quality imitation products (Wang et al., 2018). Other studies have shown that one of the challenges of striving for high-quality products has been that work must occur in a timely manner and smoothly flow back into the host company's workflow (von Bary & Westner, 2018). A truly international business

involves work shifting between bodies in different physical places, with different experiences, knowledge, and cultures (Nujen et al., 2018). The massive scope of international business has made it hard for clear communication and directions between a host company, its subsidiaries, and its outsourced work. Most often, project failures resulted from poorly designed or implemented coordination mechanisms that were unable to survive complicated situations (Wang et al., 2018).

Despite the complications of running international businesses, managers have successfully invested in several strategies to improve the effectiveness of offshoring. The results of research indicated that international alliances are a flexible way to implement offshoring (Lojacono et al., 2016). International alliances tended to be more successful as a joint venture operation when companies were preparing for market entry, but companies that utilized offshoring found more success when working with contractual-based outsourcing (Nujen et al., 2018). Regarding project management, it was important for companies to recognize that a mutual understanding of the individual responsibilities between client and provider was paramount to the success of projects (Wang et al., 2018).

When it comes to outsourced work, companies needed to create straightforward interface rules that could maximize the efficiency of cooperation (Wang et al., 2018). According to research on the product cycle, advanced companies choose to outsource work to high-quality intermediate organizations to ensure a high-level product (He & Yu, 2018). Additionally, capable firms that produced high-quality products choose to shift production to other firms within the company, before eventually shifting to outsourced work (He & Yu, 2018; von Bary & Westner, 2018). Conversely, selecting lower quality

intermediaries and shifting directly to outsourced work resulted in underwhelming, poor quality final products (He & Yu, 2018). Additionally, researchers indicated the importance of supply chain managers to be able to apply a variety of governance mechanisms for transaction-specific investments (Min, Joo, & Nicolas-Rocca, 2016). For physical FSIs, managers relied on detailed contracts to define the relationship, and for human FSIs, they paid more attention to creating and strengthening ties with international buyers (Wang et al., 2018).

### **Information Technology in Outsourcing**

Research findings showed that there were several developments in IT that had the potential to change how international companies used outsourcing and offshoring. Specifically, human resource outsourcing managers answered the need for alignment between business operations, cheaper costs, compliance management, evolving policy framework, and access to key technologies (Chen, Xiang, & Yang, 2014). The use of human resource outsourcing managers eventually led to e-consulting, which involved consultations through the internet that could effectively bridge the gap between client companies and their consultants (Poorani & Thiyagarajan, 2018). Another form of online outsourcing that has grown is e-government, which business leaders established to provide information to government employees, citizens, and businesses (Chen et al., 2014). Similarly, the field of IT has become regularly accepted as outsourced since Kodak started the trend in 1989 (Chen et al., 2014). India has become known worldwide for providing outsourced IT to countries around the globe (Shah, Russell, & Wilkinson, 2017). Finally, the advent of on-board computers, GPS, mobile apps, optimization

logistics programs, and cloud computing were all seen as examples of growing technologies used in the field of logistics that showed the potential to make tasks more efficient at a lower cost (Yang, Zhao, Yeung, & Liu, 2016).

With the introduction of newer forms of IT, companies have struggled to use them effectively and have faced some challenges. The companies that began to adopt e-consulting were not sure how to properly implement the new technology and have still been figuring out the precise focal points to make it thrive (Poorani & Thiyagarajan, 2018). When it comes to advancements in logistics operations, companies have seen relatively high failure rates in their outsourcing operations, which they have blamed on the improper management of the outsourced relationships (Yang et al., 2016). However, in the case of China, the government removed restrictions on foreign investments in the logistics industry, which led to an increase in the market of foreign service providers (Zhang, Ma, & Qu, 2018). While India's outsourced IT sector has been thriving, the competition has made it difficult for expatriates who have traveled out of the country to do on-site work, which ends up costing the business four or five times as much as their outsourced counterparts (Shah et al., 2017). Additionally, while outsourced IT was successful in the private sector, similar work in the public sector, such as e-government, has not had the same results (Chen et al., 2014). The difference between outsourced IT work in the public versus the private sector is that high level public officials are in charge, rather than a private company making its own decisions (Chen et al., 2014).

Although outsourcing and offshoring have been popular business strategies since the 1990s, some companies have begun reversing their policies, using practices known as

insourcing and reshoring (Bals, Kirchoff, & Foerstl, 2016). As an example, leaders at Sleek Audio decided to revoke outsourcing and offshoring and bring their production back in-house (Bals et al., 2016). Conversely, the Outdoor Greatroom Company decided to continue outsourcing their operation, but did so within close geographic proximity, which is not considered offshoring (Bals et al., 2016). Insourcing and reshoring are relatively new strategies and researchers have not yet identified all the reasons why companies have chosen to reverse their policies and whether there were proven benefits to doing so (Poorani & Thiyagarajan, 2018).

Because IT is constantly evolving, it has been necessary for companies to learn how to best utilize their strengths to maximize the success of their outsourcing operations. When consultants had the right perception toward e-consulting and used it correctly, research findings indicated that they could resolve relationships and internal problems and ensure the achievement of the business' value (Poorani & Thiyagarajan, 2018; Yap et al., 2016). Likewise, outsourcing human resources (HR) provides capability, knowledge, and creativity to companies via the expertise of the employees (Nujen et al., 2018). However, some problems that have continued to mar HR development are globalization, increased business needs, and recruitment requirements (Poorani & Thiyagarajan, 2018; Yap et al., 2016). Additionally, 3<sup>rd</sup> party logistic work has had massive growth and is used by 70% of European companies and 58% of American companies (Radło, 2017; Yang et al., 2016). Through logistics outsourcing, firms have saved an average of 11.8% on logistics costs, 24.6% on logistics assets, and 8.2% on inventory costs, while shortening the average lead time (Yang et al., 2016).

Because 3<sup>rd</sup> party logistic work is a proven success, China has chosen to invest more in logistics by constructing additional infrastructure, warehouses, and distribution facilities (Zhang et al., 2018).

After studying outsourced IT in the public sector, the attitude of top management toward IT and the size of their departments have not had a noticeable impact on the program's success (Chen et al., 2014). However, the study showed that management can maintain a positive attitude toward the role of IT, but the researchers recommended frequent office transitions (Chen et al., 2014). Additionally, there was a recommendation that the chief information officer position be filled by an experienced official who is knowledgeable about the role of IT work, has personal knowledge of it, and could hold the position for a long time (Chen et al., 2014). For complex outsourcing projects, IT managers should tightly manage HR in terms of labor hours for the best results (Ali, Li, Khan, & Zhongguo, 2017; Chen et al., 2014; Nujen et al., 2018). By building trust, effective communication skills, and cooperation, vendors and outsourcers were able to forge satisfactory relationships (Chen et al., 2014). Finally, the researchers established that managers should communicate with vendors to transfer relevant knowledge and provide quality documents for optimal work (Chen et al., 2014; Nujen et al., 2018).

### **Factors Affecting Outsourcing Success**

There are a myriad of factors that affect whether an offshoring operation is a success or failure and organizations need to account for them before they invest in offshoring. Some important factors include the creation of new products, a desire for upgraded productivity, a greater access to experts in technology, and a lack of resources

from within the company (Latif, Ismail, Nazri, & Mohd Nor, 2018). However, the most common and decisive factor that affects a company's decision to offshore is the prospect of cost reduction (Sanchez, Terlizzi, & Cesar de Moraes, 2017).

While there has never been a unanimously accepted definition of outsourcing, definitions have always involved the use of an external party (Ali et al., 2017). The implementation of outsourcing has allowed companies to bring knowledge and innovation from outside their own countries and apply it to their business, often within the realm of technology (Latif et al., 2018; Pellicelli, 2018). A software outsourcing partnership is a cooperative relationship between the client and vendor (Ali et al., 2017; Benaroch, Lichtenstein, & Fink, 2016). Concerning software outsourcing partnerships, companies were able to find success based on the factors of mutual trust and commitment (Ali et al., 2017). Some of the main factors affecting the success of software outsourcing partnerships were shared knowledge and benefits, organizational linkage positive affect commitment, predisposition bi-directional dependency, and a positive effect on mutual benefits, commitment, and predisposition (Sanchez et al., 2017). Additionally, when it comes to outsourced IT work, the evaluation process, top management commitment, and the degree of the outsourcing were central factors that affected decisions in offshoring operations (Nujen et al., 2018). Some of the important factors that have affected work in the field of IT are exploitation, assimilation, acquisition, and the ability to scan (Latif et al., 2018).

Because offshoring involves workers from all over the globe, several issues have risen over the years resulting from difficulties caused by cultural differences, struggles in



communication, and language barriers. Specifically, evidence has shown that cultural differences can have a huge effect on global virtual teams, defined as “temporary, culturally diverse, geographically dispersed electronically communicating work groups” (Gurung & Pratter, 2006, p. 25). Within these groups, evidence has shown that balancing and managing cultural differences can be a key factor in determining offshoring success (Yap et al., 2016). Cultural compatibility has been crucial because a team needs to share values and objectives to properly succeed in the development process (Latif et al., 2018). For example, the company GE outsourced work to India to save on IT costs but did not account for cultural differences, which became a hindrance (Gurung & Pratter, 2006). Offshore workers located in India were unable to effectively assist because there were gaps in cultural knowledge, such as unfamiliarity with products like the microwave. Thus, when a company fails to consider cultural differences, they may reduced costs, but at the expense of lower quality service (Awan et al., 2018; Gurung & Pratter, 2006).

Another aspect of outsourcing shown as vital to successful operations is the implementation of a strong relationship between the focal organization and the vendor. To find success with vendors, companies have focused on maintaining a quality partnership and building trust (Latif et al., 2018). The relationship with a vendor is crucial because it allows an organization to procure the best supplies, and therefore results in a stronger product. Some important factors involved in building a tight relationship with a trustworthy vendor include sharing a strategic view and developing a fully constructed contract (Latif et al., 2018). To succeed, international businesses are dependent on reliable collaborations.

The results of several studies identified important factors managers should pay attention to if they want to succeed in offshore outsourcing (Dahlgrün & Bausch, 2019; Latif et al., 2018; Warren, 2017). Researchers have studied different companies, measuring success based on reaching economic, strategic, and technological benefits to achieve satisfaction (Latif et al., 2018). Based on the research, managers have had to develop robust vendor management systems to increase the value of their business, and ultimately achieve success (Chang & Búrca, 2016; Dahlgrün & Bausch, 2019; Latif et al., 2018). Although unreliable vendors can threaten success by undermining a focal organization, business leaders can successfully curb opportunistic behaviors through proper management (Coyle, 2018; Latif et al., 2018). Evidence showed that the level of trust in the focal organization, the quality of the partnership, and the capability of the vendor's management were all factors critical to success (Latif et al., 2018).

Additionally, research results showed that managers must address the issues related to cultural differences and they must be capable of understanding the workers mindsets and cultural values (Warren, 2017). Dahlgrün and Bausch (2019) discussed four approaches to decreasing cultural differences between members of global virtual teams. The first approach, known as the bridgehead approach involved creating teams that consist of 25% onshore employees and 75% offshored employees (Gurung & Pratter, 2006). Another approach was the hiring of a cultural liaison, specifically tasked with reducing cultural distance (Dahlgrün & Bausch, 2019). Dahlgrün and Bausch (2019) also discussed the idea of internalizing global software development and reducing language barriers by implementing communication training. Overall, several researchers observed

that if companies and their management do not possess the knowledge of factors crucial to establishing a successful offshoring arrangement, they will suffer consequences (Benaroch et al., 2016; Dahlgrün & Bausch, 2019; Gurung & Pratter, 2006; Latif et al., 2018; Yap et al., 2016).

### **Models for Managing Effective Outsourcing**

Because outsourcing and offshoring have become popular worldwide, researchers have developed studies to assess various models and their success (Gurung & Pratter, 2006; Latif et al., 2018; Mehta & Mehta, 2017). Many of the frameworks and models used in outsourcing were based broadly on the concepts of core competencies, agency theory, transaction cost economics, and partnerships (Gurung & Pratter, 2006). The development of the transaction cost economics model has offered a useful structure that has helped companies understand the conditions that would most likely deliver beneficial results (Latif et al., 2018). Proponents of transaction cost economics have made the argument that companies decide to source, internally or through the market, based on the costs of production and transaction (Gurung & Pratter, 2006; Mehta & Mehta, 2017). These costs have been determined by factors such as asset specificity, transaction frequency, and uncertainty (Latif et al., 2018).

When companies wanted to maximize their core competences, they must understand how to best obtain a competitive advantage before attaining a competitive advantage (Gurung & Pratter, 2006). The results of research have shown that businesses gained advantages in outsourcing by improving reliability, increasing market share, gaining flexibility, selecting skilled workers, establishing a presence in foreign markets,

and upgrading technological equipment (Choi, Ju, Kotabe, Trigeorgis, & Zhang, 2018; Nujen et al., 2018).

In comparison, partnerships have a less defined framework than other models (Gurung & Pratter, 2006; Rhodes, Lok, Loh, & Cheng, 2014). Partnerships have never had a single recognized theory because each individual relationship has its own variables and understandings (Mehta & Mehta, 2017). Individuals involved in partnerships center their focus on the issues of trust, comfort, understanding, strong communication, and shared values (Rhodes et al., 2014). In other words, the focus of partnerships is on the quality and interactions of the relations, two important characteristics often overlooked by models (Rhodes et al., 2014). Trust and commitment were notable outcomes of effective partnerships in manufacturing outsourcing, but not necessarily in-service outsourcing (Rhodes et al., 2014). A study showed a link between partnerships based in outsourcing and higher performance, due to the established mutual trust (Mehta & Mehta, 2017).

Latif et al. (2018) noted several other models in their study. They proposed that social exchange theory is the most applicable model for addressing modern business and creating a robust, balanced system that it is effectively structured (Latif et al., 2018). Similarly, the tenets of relational perspective, a model drawn upon social exchange theory, proposed that business partners seek social and economic outcomes from their perspective interactions and compare them to alternative exchanges (Mehta & Mehta, 2017). Consistent with the data, the biggest advantage to the relational approach is that

the vendor and clients were able to achieve mutually compatible goals they could not have achieved alone (Latif et al., 2018; Mehta & Mehta, 2017).

Offshoring IT work has become a popular strategy for companies, which means that there were several models established in response (Mehta & Mehta, 2017). The traditional intention of offshored IT was to outsource noncentral tasks to a cheaper workforce to reduce costs and improve efficiencies, which let the company focus on its core functions (Mehta & Mehta, 2017). However, the focus has shifted toward the pursuit of a strategy for cooperative advantage through shared resources and sturdy relations (Latif et al., 2018). Proponents of the transactional cost perspective model have considered outsourcing to decrease the costs of production and processes (Mehta & Mehta, 2017). According to this model, companies base their decision to outsource on whether the move would enable them to take full advantage of economies of sales in relation to the outside vendor, while limiting internal expenses (Mehta & Mehta, 2017). The economies of scale have had a major success on the outsourcing of products and, in the case of IT, services (Gurung & Pratter, 2006).

With companies worldwide incorporating a plethora of models into their outsourcing operations, it has been important for managers to forge stable and sustainable relationships with vendors. Ultimately, researchers have suggested that managers could create mutually beneficial partnerships with vendors through the competency perspective model (Mehta & Mehta, 2017). The growth of globalization drives this model and requires firms to shift their attention to their core activities to stay in the competition (Mehta & Mehta, 2017). If firms were able to outsource their noncore activities, like IT

and logistics' operations, they could put more attention to their core activities (Mehta & Mehta, 2017). Through working with a vendor and applying the vendor's resources to company operations, the firm could harness unique capabilities to strengthen its competitive advantages, while simultaneously evolving the partnership (Choi et al., 2018; Mehta & Mehta, 2017).

Additionally, study results have shown that managers should be aware of their customer perceived value (CPV) and how it affects their success (Rhodes et al., 2014). According to the CPV, there have always been intangible social elements in business that have the potential to increase the value of a service provider, regardless of the tangible value of the goods or services (Rhodes et al., 2014). However, if a company focuses entirely on increasing their CPV, the quality of their goods could suffer. Therefore, the study results indicated that managers need to find a healthy balance, while weighing the benefits and sacrifices needed to increase CPV (Rhodes et al., 2014). In alignment with the Rhodes et al.'s (2014) study, it has been noted that that benefits came from quality performance, as well as support services and interaction, but at the expense of losing efficiency and increasing costs (Latif et al., 2018; Verwaal, 2017). Furthermore, the results of Rhodes et al.'s study indicated that the relationship interaction factor between managers and suppliers was more important than the quality of the relationship, specifically in outsourced services. Overall, relationship interactions, such as communication, cooperation, coordination, collaboration, conflict resolution, and integration activities had a larger effect on customer's perceived value when it came to outsourcing (Rhodes et al., 2014). By using robust frameworks built for optimal success

of outsourcing and building trust with vendors, organizations can have success in their operations (Latif et al., 2018).

### **Transition**

Section 1 included an introduction to gaps in understanding surrounding the implementation of offshore outsourcing and portions of this literature review served as an introduction to the theories explaining strategies and processes business managers can use to maintain their organizations. Section 1 also contained an overview of the existing and current theories extended an understanding of the topic, and three theories used in business, TCT (Williamson, 1979), cultural and customs theory (Coyle, 2018), and RBV and outsourcing (Wernefelt, 1984) as each pertains to the context of this study. The following areas related to the study's problem statement contributed to this review: (a) international business, (b) information technology in outsourcing, (c) factors affecting outsourcing success, and (d) models for managing effective outsourcing. Outsourcing organizations can use this exploration, and the strategies discussed in the review, to increase the probability of business success.

Following Section 1, is Section 2, which includes an explanation of the qualitative method used in this study. Section 2 also includes a presentation of the population, sampling, data collection, data analysis, and the reliability and validity of the study method. Section 3 includes the findings, relevancy of the study to professional practices, implications for social change, recommendations for action, and suggestions for further research.

## Section 2: The Project

The use of offshore outsourcing to reduce costs and increase profit margins is a result of higher demands for increased productivity (Bahli & Rivard, 2017). Offshore outsourcing is a part of many organizations' strategies, and the number of firms using offshore outsourcing will likely continue to increase (Livanis et al., 2016). Business managers choose to implement offshore outsourcing based on the belief that they will reduce business costs, but postimplementation problems can significantly influence the actual outcome (Gurtu et al., 2016). These problems are likely to occur because business managers make poor choices regarding the facilitators they choose to assist them in their outsourcing endeavors (Schermann et al., 2016). However, business leaders desire to reduce organizational costs, which is possible by focusing internally on their companies' capabilities (Lacity et al., 2017).

### **Purpose Statement**

The purpose of this qualitative single case study was to explore strategies and processes business managers use to maintain their organization after the implementation of offshore outsourcing. The population for this study consisted of three managers responsible for outsourcing contracts located in the northern region of the United Kingdom. The results of this study may contribute to organizational growth, which can contribute to social progress through the support of the local communities by employing community members, investing in infrastructure projects, and enhancing collaboration among local businesses.



### **Role of the Researcher**

A researcher's role is to gather, evaluate, organize, and interpret data (Vaara, Sonenshein, & Boje, 2016). Researchers can conduct qualitative studies in numerous ways (Levitt et al., 2018). In this qualitative single case study, I collected information to understand the different strategies and processes business managers use to maintain their organization after the implementation of offshore outsourcing. I conducted interviews using open-ended questions (see Appendix A), ensured participants knew their responses would remain confidential, and informed participants they could choose not to participate in the study at any time. I remained objective in reviewing the information presented by the participants, and I minimized researcher bias when analyzing the data. I used member checking to ensure that the results were impartial and that the study was valid. In recording and analyzing the transcript data, I used triangulation to verify the accuracy of the results. Researchers must also observe certain procedures and ethical principles throughout the research process, which relate to keeping participant information confidential and respecting the rights of the participants (Yin, 2018).

In 1978, the National Commission for the Protection of Human Subjects of Biomedical and Behavioral Research (1979) developed *The Belmont Report*, which outlined the core principles of respecting people, being kind and generous, and treating people fairly. As an individual familiar with the outsourcing world and in a similar position at another company, I was well-equipped to adhere to these three principles. Any information shared by participants was confidential and used for research purposes only, as I would want the same for myself.

## **Participants**

For this study, I interviewed three managers from one organization, who have demonstrated successful use of strategies and processes to maintain their organization after the implementation of offshore outsourcing in the northern region of the United Kingdom. Fusch and Ness (2015) suggested that an eligibility criterion helps detect characteristics displayed by the participants that would align with the overarching research question. The selection criteria for business managers in this study were that they have experience with outsourcing and have been in their position for a minimum of 6 years. To ensure that I obtained the necessary data, I used participants who were qualified, which means they had experienced success in maintaining offshore outsourcing. After receiving approval from Walden University's Internal Review Board (IRB), I contacted potential participants by e-mail. Because I was familiar with the industry in the northern region of the United Kingdom, I contacted local organizations that have been successfully outsourcing their IT operations offshore beyond 6 years. Using purposive sampling, I asked if the potential participants met the eligibility criteria to take part in the study. Purposive sampling is in line with qualitative studies, which allows for the selection of individuals who are knowledgeable about a certain phenomenon (Denzin & Lincoln, 2018; Yin, 2018). After obtaining interest from potential participants and after verifying their eligibility criteria, I explained the reason for this study. I then asked participants if they were willing to meet for a face-to-face interview. At this point, an interview meeting time was set up that was convenient for

both the participant and me. In conducting the interviews, I brought a consent form and asked participants to sign the form, which explained the expectations related to the study.

## **Research Method and Design**

### **Research Method**

I used a qualitative method to explore successful strategies and processes business managers use to maintain their organization after the implementation of offshore outsourcing in the northern region of the United Kingdom. Qualitative methodologies can be used to form the groundwork for a study and can help researchers find the best method for outlining and communicating the outcome of a study (Yin, 2018). This qualitative study was comprised of semistructured interviews through which I gathered explanations from the participants experiencing success in the implementation of offshore outsourcing. I asked interview questions in an open-ended, iterative style, and I was flexible to allow participants to respond in a comfortable manner. Qualitative studies are exploratory and appropriate when the researcher seeks insight into the underlying reasons, opinions, and motivations related to behavior (Maramwidze-Merrison, 2016; Oltmann, 2016). Qualitative studies also have a subjective component in which the researcher interprets information from participants (Olson, 2016).

A quantitative methodology was not appropriate for this study. Qualitative and quantitative researchers use different research strategies, processes, and inquiry procedures to obtain results in a study (Levitt et al., 2018). The goal of a quantitative researcher is to explore the relationship between independent and dependent variables in a certain population and to develop or test hypotheses through enumeration of data

(Bahli, & Rivard, 2017). Additionally, quantitative researchers use randomization to achieve internal validity (Runfola et al., 2017). However, the nature of this study did not warrant randomly assigning business managers into groups who consistently achieve a certain outcome. A design that excludes randomization, based on obtaining numerous participants, was better suited to this study. A mixed-method technique was also not appropriate because it would have involved both qualitative and quantitative methods (Bahli, & Rivard, 2017). Using a qualitative research method, instead of a quantitative or a mixed method, allowed for a deeper understanding of the topic.

### **Research Design**

Single case studies include questions to ask why and how (Yin, 2018). This is consistent with the interview questions used in this study. Considering multiple interview questions to gather data is consistent with interviewing business managers as participants. In selecting a research design, I chose the single case study approach over phenomenology, ethnography, or narrative because of the focus of this study and the type of data needed. For example, phenomenology is suitable to explore participants' lived experiences, but the objective of this study was not to explore participants' experiences (Levitt et al., 2018). Ethnographic researchers explore the behaviors, beliefs, customs, and social behaviors of a society or culture (Levitt et al., 2018). This was also not appropriate because the goal for this study was not to understand the behaviors or customs of a population. The single case study design allows for exploration of the occurrence from a broader perspective, while still constrained by time, events, activities, and individuals (Yin, 2018). A single case study design was appropriate for exploring the

successful strategies business managers of offshore outsourcing use in the northern region of the United Kingdom. Case study designs allow for the use of many sources to construct a comprehensive picture of the topic and permit participants to respond to face-to-face interviews (Yin, 2018). Data saturation happens when nothing new develops from interviewing the participants of a study as none of the participants is sharing new information (Marshall & Rossman, 2016). During the interviews, I requested that participants provide answers to questions until they believed they had nothing more to add. After reviewing what was shared via the interview transcripts, I asked the participants to read the information to determine if what I had was correct and if they wanted to add information. At the point when there was nothing more to add, I assumed data saturation had occurred. Consistent with the purpose and questions explored in the study, the single case design was the most appropriate because it included the use of triangulation and data saturation practices. Triangulation occurred by comparing the interview and literature data. The last steps involved the precise coding of data and data analysis to expose significance.

### **Population and Sampling**

I used purposive sampling to conduct this single case study. Purposive sampling is common in qualitative studies for selecting a demonstrative population (Denzin & Lincoln, 2018). The purposive technique helps with the selection of groups or individuals experienced with the topic of study (Marshall & Rossman, 2016). Random sampling is used to facilitate studies in which data generalizability is a concern (Levitt et al., 2018). However, generalizability was not addressed in this study, so I chose purposive sampling.

In this study, I used three managers from one organization who have demonstrated successful use of strategies and processes to maintain their organization after the implementation of offshore outsourcing in the northern region of the United Kingdom. The use of three participants has been noted as an appropriate number to interview in a qualitative study (Yin, 2018). I justified the number of participants based on the appropriateness of using three informants to gather enough depth of information to explore methods business managers of offshore outsourcing use in the northern region of the United Kingdom. I did not consider the study valid until data saturation occurred and the participants had no new information to offer.

The selection criteria for the business managers required them to have experience with outsourcing and to have been in their position for a minimum of 6 years. To acquire interviewees, I contacted potential participants by e-mail. I asked if the potential participants met the eligibility criteria to join the study. After obtaining interest from potential participants and after verifying their eligibility criteria, I explained the reason for the study. I then asked participants if they would be willing to meet for a face-to-face interview. At this point, I scheduled an interview meeting time that was convenient for both the participant and me. When I conducted the interviews, I brought a consent form and asked participants to sign the form, which explained the expectations related to the study. I met with participants in a location that was comfortable for them yet private enough to keep what they shared confidential.

### **Ethical Research**

To ensure the research is ethical, before gathering any data, I first gained approval from the Walden University IRB (12-11-19-0240738). The goal was to ensure (a) protection of the participants, (b) adherence to the recruitment plan, (c) protection of the research participants' privacy, (d) respect for their rights, and that (e) the informed consent process was followed. All participants were asked to sign the informed consent form. The consent arrangement, together with my ethical behavior, helped me in protecting the participants' rights in this study.

To ensure the privacy and confidentiality of the participants, their identities, those of their organizations, and all information collected remained confidential. The participants were aware they could leave the study at any time, and they had the choice to respond to only the interview questions they found acceptable. In most qualitative studies involving interviewing participants, the option to stop participating at any time is present (Yin, 2018). The participants in this study could withdraw without penalty and had were reminded of their right not to participate at the start of each interview. The data I gathered during this study will stay in a locked filing cabinet that only I have permission to access. Interview data is typically stored for 5 years (Oltmann, 2016; Yin, 2018). After storing the data for 5 years, I will destroy it by deleting material and shredding the hard copies. To minimize participants' potential discomfort, I did not share their responses with other research participants, and I informed the participants that these findings were used for research purposes. I anticipated a lack of perceived physical, legal, or economic risk for participants, as well as no direct incentive for taking part in the study. Some researchers

provide participants with compensation for taking part in a study and participants may experience monetary motivations for participating in a study (Denzin & Lincoln, 2018). In this study, I did not provide participants with financial compensation and anticipated that the participants had other, nonmonetary reasons to participate in the study, such as increasing the stability and profitability of the outsourcing process.

### **Data Collection Instruments**

Yin (2018) identified several sources of data used in qualitative research. These consist of the following: (a) interviews, (b) documentation, (c) physical artifacts, (d) direct observation, (e) archival records, and (f) participant observation. Yin (2018) further stated that not all sources are needed in any single study. In this study, I used participant interviews to obtain data and results. In addition to identifying myself as the primary data collection instrument, I interviewed participants using a set of written semistructured interview questions in a one-on-one interviewing setting (see Appendix A) and through using an interview protocol (see Appendix B). The other type of data collection used in this study was documentation regarding the organization's strategies concerning offshore outsourcing to reduce costs and increase profit margins.

The data collection for this study included inviting participants to take part in the study and then collecting the data using face-to-face semistructured interviews. To warrant the validity and accuracy of the data collected and then analyzed, I intentionally gathered, analyzed, and interpreted the information with only an attempt to comprehend and compare the perspectives, beliefs, and actions of the business managers I interviewed for this study. Researchers can use parts of a qualitative single case study research design



to help maximize the validity of the study while reducing researcher bias. The member-checking process, in which I verified whether I accurately interpreted the participants responses, ensured the results were objective and the study design valid during the process of gathering and interpreting the information.

### **Semistructured Interviews**

To begin the interviews, I shared with participants the nature and reason for the study. I assured the participating business managers that information they chose to share would stay confidential, and they could terminate the interview at any time. The interview questions were open-ended, and I used prompts to encourage participants to provide comprehensive answers to the questions. To guarantee content validity, prior to conducting the interviews, I asked a university cohort to review the interview questions. Interview question review is recommended to ensure the interview instrument is appropriate (Maramwidze-Merrison, 2016). Additionally, I double-checked the interview instruments to ensure the appropriate number of questions, clarity of language, and to confirm there was enough time to conduct the interviews without inconveniencing the business managers.

Many benefits exist from the conduction of face-to-face interviews including: (a) politeness, (b) the skill to gain the trust of others, (c) learning from nonverbal communication, and (d) the capacity for participants to express themselves more fully (Korstjens & Moser, 2018). In addition, Maramwidze-Merrison (2016) asserted that conducting interviews allows for a deeper understanding of the participants' feelings, sentiments, and experiences. Other types of data collection might not create the same

effect. The variety of ways to ask questions, such as using prompting, can help bring out more information and direct the interviewer to greater levels of comprehension (Oltmann, 2016). To garner plentiful data and to achieve a deeper appreciation of the participants' experiences, I asked open-ended, semistructured questions during the interviews. I anticipated that each interview would last approximately 30-60 minutes, although the time spent varied somewhat depending on the level of detail in the participants' responses. The interviews were individual and private, in a location chosen by the business manager, with only the managers and myself present. The instrument I used in the interviews was a tool for organizing notes and an audio recorder to record the interviews for transcription. Once completed, the participants had the opportunity to review the transcripts for the accurateness of their responses. The protocol used to collect data was flexible, and I conducted the interviews iteratively and used follow-up questions about the answers provided by the participants.

Validation of the data took place through member checking. Researchers provide participants with frequent opportunities to review portions of the work to ensure that information gathered was authentic, and the researcher's interpretation was accurate (Birt, Scott, Cavers, Campbell, & Walter, 2016; Yin, 2018). Although member checking can occur at various stages, including both during the interviewing and afterward, to add to the validity and credibility of the study I prompted this process after completing each of the interviews. As I interviewed participants, I attempted to create a comfortable atmosphere to ensure the participants were at ease while sharing their experiences.

## **Document Analysis**

To analyze the documents obtained from the company where the participants work, I obtained permission to have access to anonymous project success or failures related to IT outsourcing for use in the study. The use of document analysis allows for broad coverage of the study topic through a collection of exact facts about the topic, and repeated reviews, if the documents are available (Makrakis & Kostoulas-Makrakis, 2016). Furthermore, the use of document analysis permits for broad data comparison (primarily attained through the interviews), which can increase the validity and reliability of interpretation (Almalki, 2016). Qualitative studies are exploratory in nature and used to gain insight into the underlying opinions, reasons, and motivations associated with choices or actions (Makrakis & Kostoulas-Makrakis, 2016).

## **Data Collection Technique**

There are advantages to conducting interviews face-to-face including (a) the ability to gain trust, (b) politeness, (c) nonverbal communication, and (d) the ability for the participant to express themselves (Oltmann, 2016). Therefore, I chose to conduct face-to-face interviews in a business setting. Holding interviews in a qualitative framework permits a deeper exploration into participants' thoughts, feelings, and experiences (Maramwidze-Merrison, 2016). Other methods of data collection may not have had the same effect.

The interviews were semistructured and I asked open-ended, semistructured questions during the interview to obtain rich data and reach a greater understanding of the participants' experiences. Each interview lasted between 30-60 minutes, although the real

time varied depending on the level of detail in participant responses. The interviews took place at the manager's work site in the northern region of the United Kingdom, thus eliminating the need for participants to travel to another location, thereby minimizing their cost and time. The interviews were conducted individually and privately, in a location of the manager's choosing, with only the researcher and manager present. Throughout the process, I aimed to create a comfortable camaraderie with the business managers to ensure they were comfortable sharing their insights, experiences, ideas, and strategies business managers could use to maintain their organization after the implementation of offshore outsourcing. I shared the transcribed material with the participants to ensure the completeness of their responses, which confirmed the data collected and once interpreted could serve as a design for future studies.

The instruments used for conducting interviews were a notebook for keeping notes organized, and an audio recorder to capture the full interviews in detail for transcription. The participants had the opportunity to review their interview transcripts for accuracy and representative responses following the transcription process. Finally, I used member checking to garner descriptive and thick data from the participants to warrant reliability and validity until data saturation occurred. I conducted member checking during the interviews by asking participants to review what they shared to ensure what they communicated was what they intended to share.

To analyze documentation, I asked for permission from the organization to have access to anonymous outsourcing information for use in the study. The use of document analysis allows for broad coverage of the study topic through a collection of exact facts

about the topic, and repeated reviews, if the documents are available (Almalki, 2016). Careful validation of the documents confirmed inclusion of the appropriate data exploring the managers' outsourcing activities.

The use of document analysis also supports extensive data comparison (chiefly acquired from the interviews), which will increase the credibility of the interpretations (Makrakis & Kostoulas-Makrakis, 2016). Because qualitative research is exploratory, it researchers use it to gain awareness about the core reasons, opinions, and motivations associated with behavior. An advantage of using a qualitative single case study method to analyze documents is the ability to explore and compare data from one organization over time (Almalki, 2016).

### **Data Organization Technique**

I separated the data into groupings (e.g., recordings, notes, and participants' responses) for clear identification of the information. I used a tape recorder, audio-recorded the interviews, and transcribed the interviews. To achieve accuracy and to avoid leaving out relevant information, narratives should be immediately transcribed (Lachmann, Trapp, & Trapp, 2017). This type of data organization method allows for both flexibility and accuracy (Yin, 2018). After transcribing the interviews, I stored the transcription in a Word Document as well as on a backup drive. I will store the backup drive, consent forms, and transcripts in a locked facility for 5 years. After the 5 years elapses, I will destroy the electronic data and shred any paper data.

## **Data Analysis**

Data analysis is a process of preparing and organizing data, categorizing data into themes or subthemes, and interpreting the findings (Saunders et al., 2016). I used methodological triangulation in this study. Methodological triangulation is the process of collecting data using more than one data collection practice (Makrakis & Kostoulas-Makrakis, 2016). Methodological triangulation serves to limit bias by collecting data from multiple data sources (Yin, 2018). Researchers have proposed that using methodological triangulation in qualitative study ensures the collection of diverse types of data related to the topic under study, which can be compiled for analysis and interpretation (Almalki, 2016). I limited bias and increased the validity of the study by conducting semistructured interviews and doing a review of company documents. I also used an interview protocol as my guide for the interview process (see Appendix B).

Yin (2018) discussed a five-phase cycle as a specific method to analyze qualitative data. The steps of the five-phase cycle include (a) compiling, (b) disassembling, (c) reassembling, (d) interpreting, and (e) concluding. Triangulating across data sources and analyzing the groupings through the coding process can be beneficial in analyzing qualitative data (Saunders et al., 2016). For this study, I used the five steps, as recommended by Yin, to explore the categories revealed through the coding process, allowing for the seeking of new information applicable to understanding the research question used in this study.

**Compiling**

The first phase in Yin's data analysis plan is compiling data (Yin, 2018). Compiling is the process of organizing raw data for analysis (Castleberry & Nolen, 2018). This portion entails using digital databases for interview notes, notebook entries, and transcribed data from the interviews (Yin, 2018). To warrant valid transcription of the interviews and to prevention of losing information, I transcribed each participant's interview data on the same day as their interview, unless a transcription service was needed. Regardless, the information was transcribed as soon as possible.

**Disassembling**

The second phase in Yin's (2018) data analysis cycle is disassembling. I used disassembling as a common approach to encode the data I obtained. To gather and organize the data, I used NVivo 10 software. Disassembling data into smaller categories enables focusing on one grouping at a time (Stewart, Gapp, & Harwood, 2017). I identified patterns and themes by assigning portions of the data into either individual groups or into smaller, associated categories.

**Reassembling**

The third phase in this data analysis process is reassembling data (Yin, 2018). Reassembling is the process of rearranging data (Yin, 2018). In qualitative studies, there exists an option to rearrange data by similar coding categories into columns and rows (Castleberry & Nolen, 2018). I reassembled the data into themes to prioritize each type by order of significance and to develop an understating concerning the phenomenon in response to the research question used in this study.

**Interpreting**

The fourth phase in Yin's (2018) data analysis plan is interpreting data. The objective of the interpreting phase is to become familiar with the data to extract its deeper meaning (Stewart et al., 2017). Yin (2018) asserted that a researcher's capacity to extract meaning from data is an expected part of the five-phase cycle. Upon completion of the interviews, I conducted member checking with the participants to ensure that what I understood was correct. Furthermore, the participants had an opportunity to review the transcripts, once transcribed, to ensure the material was accurate.

**Concluding**

The last phase in the data analysis process is concluding the data (Yin, 2018). This phase is critical to the process to gain closure (Castleberry & Nolen, 2018). To draw conclusions and share what I learned, I studied my findings through both text and tables. I used all the data and tools at my disposal to give solid interpretations and examples from the data, to reveal what strategies and processes business managers use to maintain their operation after implementing offshore outsourcing.

I coded the data both manually and using NVivo 10 software. I used NVivo 10 software to analyze, organize, and identify emerging themes, in addition to organizing the unstructured data as necessary. Using NVivo software and backing up the data obtained facilitates identifying and saving data (Oswald, 2017). I backed up the material by retaining a paper copy of the data and by using NVivo 10 software to help with coding themes and determining trends in the responses from the participants.



### **Reliability and Validity**

Moustakas (1994) described validity as the precision of research results and reliability as that which other researchers can duplicate and obtain similar results. Reliability and validity are critical to warranting the truthful results of a study. An honest understanding of the data can lead to valid and reliable results (Lachmann et al., 2017). To confirm the consistency of the data I interviewed three managers from one organization who have demonstrated successful use of strategies and processes to maintain their organization after the implementation of offshore outsourcing in the northern region of the United Kingdom.

It is critical that researchers conduct qualitative studies using suitable designs and methods to evaluate the reliability and validity of the findings (Nowell, Norris, White, & Moules, 2017). Scientific research must be valid and reliable and to gain the confidence of readers and researchers (Lachmann et al., 2017). Reliability in qualitative studies refers to a researcher's ability to reproduce the study and obtain constant findings (Marshall & Rossman, 2016). For research to be trustworthy, qualitative researchers must exhibit that they have consistently, accurately, and exhaustively conducted the data analysis process by disclosing their methods with the necessary detail to enable a reader to determine the credibility of the process (Nowell et al., 2017). In this study, I warranted reliability by documenting the order of the data collection process and analysis through member checking and triangulation.

**Reliability**

Defining reliability often depends on the dependability of a study (Marshall & Rossman, 2016). Tactics used to guarantee dependability are comprised of interviewee participation in the analysis through member checking their responses and through providing a detailed description of the research method (Thomas, 2017; Yin, 2018). To assess the dependability of a study, it is critical to observe the processes that made the study attainable by creating an audit trail (Roulston, 2016). I used an audit trail by delineating the process whereby I made all methodological decisions. Researchers can generate audit trails by (a) clarifying the reasons for choosing the participants used in a study, (b) clarifying the reason for the study to the participants, (c) clarifying the data collection process, (d) clarifying the transformation of the data during the exploration, (e) clarifying the precise techniques used to define the credibility of the information, and (f) clarifying the research findings (Yin, 2018).

**Validity**

Allowing for the validity of a study commonly entails ensuring credibility, transferability, confirmability, and data saturation. Validity concerns the integrity of a study and the accuracy of the results (Fusch & Ness, 2017; Marshall & Rossman, 2016). A qualitative research study's validity relates to the linkages between the data, the results, and the conclusions (Hammarberg, Kirkman, & de Lacey, 2016). The use of member checking increases a study's credibility through validating the precision of the data gathered from participants by double check to ensure what was shared was correctly

heard (Simpson & Quigley, 2016). I used member checking to certify that what the outsourcing managers have to say was accurately interpreted.

**Credibility.** To ensure the credibility of the data, I used triangulation.

Researchers employ triangulation by using the responses to the semistructured interview questions to verify the data findings (Denzin, 2017). Using a solid method of review, which researchers can validate through triangulation, has both negatives and positives (Yin, 2018). I made use of triangulation in the data analysis process by using established data and previous research associated with well-known methods and theories to offer supporting evidence for this study. As a final element, I used member checking to gather rich, thick explanations from the participants to warrant validity and reliability in anticipation of data saturation, the point at which nothing new was revealed through the data collection procedure.

**Transferability.** In qualitative studies, transferability pertains to whether the results of a study apply in different contexts or whether the results would be transferable to other similar populations and circumstances (Hammarberg et al., 2016; Marshall & Rossman, 2016). To inspire transferability, researchers provide thick descriptions of the method they use and the contents of the study method (Yin, 2018). By providing thick descriptions of the manager's interviews and my interpretation of them, I helped ensure the transferability of the findings. In obtaining information regarding outsourcing strategies, future researchers may use the strategies uncovered in this study for further research.

**Confirmability.** Confirmability occurs when the researchers have achieved these three essential components (Denzin & Lincoln, 2018). Qualitative research should be reflective and honest; these parameters are preferable as it increases the integrity of the research (Levitt et al., 2018). Through thick descriptions, I provided thorough information to add to the confirmability of this study. To attain confirmability, I used member checking. As discussed, member checking is a procedure a researcher uses to enhance the credibility, validity, accuracy, and transferability of a study (Yin, 2018). During the interview process, I confirmed that participants shared what they intended. Throughout the process, I attempted to build a bond with the participants and ensure they were at ease sharing their insights, experiences, and strategies for helping maintain their organization after the implementation of offshore outsourcing.

**Data saturation.** To guarantee data saturation, I continued to collect data until nothing new emerged and at which point no new patterns emerged. Data saturation occurred by using member checking and through a complete exploration of the themes and the literature (see Fusch & Ness, 2017). I used member checking and studied the data as a method to ensure that no different patterns emerged through the data collection and analysis procedure.

### **Transition and Summary**

The purpose of this qualitative single case study was to explore strategies and processes business managers use to maintain their organization after the implementation of offshore outsourcing. The targeted population consisted of three managers from one organization who have demonstrated successful use of strategies and processes to

maintain their organization after the implementation of offshore outsourcing. Conducting face-to-face semistructured interviews with business managers allowed for a complete understanding of the phenomenon. A criterion-based sample of three managers from one organization involved in the successful use of strategies and processes to maintain their organization after the implementation of offshore outsourcing in the northern region of the United Kingdom was included. With the use of semistructured interviews, data analysis and coding, and NVivo10 software, I interpreted the data to respond to the research question used in the study. In Section 3, I display the findings, share the relevancy of the study to the professional practice, indicate implications for change, make recommendations for action, and share suggestions for further research.

### Section 3: Application to Professional Practice and Implications for Change

#### **Introduction**

The purpose of this qualitative single case study was to explore strategies and processes business managers use to maintain their organization after the implementation of offshore outsourcing. The research findings indicate that companies have success using a variety of outsourcing models and frameworks. The participants confirmed that organizational managers can effectively maintain their business using offshore outsourcing, which aligns with the results of the research of extant literature regarding offshore outsourcing. Based on the results of this study on the strategies and processes business managers use to maintain their organization after the implementation of offshore outsourcing, business managers could implement strategies and processes at the front end to ensure all parties understand expectations, implement fiscal consequences for outsource providers failing to meet expected targets outlined in the contract, develop continuous communication protocols, ascertain accurate forecasting for outsource providers, and employ continuous training practices for both new and current employees.

#### **Presentation of the Findings**

The primary research question for this study was: What strategies and processes do business managers use to maintain their operation after implementing offshore outsourcing? To explore the research question, I asked participants seven predetermined open-ended interview questions about their successful implementation of offshore outsourcing. Participants included three managers from one organization in the northern region of the United Kingdom, who have demonstrated the successful use of strategies

and processes to maintain their organization after the implementation of offshore outsourcing. Each participant was identified using a code, such as Participant 1 (P1), Participant 2 (P2), and Participant 3 (P3) to protect their identity while presenting evidence from their responses to support each of the resulting themes. Based on analysis of the data regarding participant responses to open-ended interview questions, as shown in Table 1, the three major themes were: (a) preparation before outsourcing occurs, (b) accountability for both the business and the outsource provider, and (c) continuous involvement in developing a successful business/provider relationship.

Table 1

*Summary of Emergent Themes and Participant Acknowledgement*

Description of themes	Occurrence
Preparation before outsourcing occurs	P1, P2, P3
Accountability for both the business and the outsource provider	P1, P2, P3
Continuous involvement in developing a successful business/provider relationship	P1, P2, P3

**Theme 1: Preparation**

The first theme to emerge from analysis and coding of the data was the importance of thorough preparation before implementing offshore outsourcing. All participants identified the importance of thorough preparation before outsourcing occurs. According to P1, the process of choosing an outsource provider took 12 to 18 months and resulted in a 30- to 40-page contractual document. P2 stated that before the process of choosing an outsource provider could begin, an internal team developed a list of formal

questions to ask each supplier to ensure consistency. Once the internal team interviewed the potential providers, they then began to make site visits to the most promising vendors, ultimately developing a premetric that included all the information together. The actions outlined by both P1 and P2 aligned with Lee's (2017) assertion regarding TCT that failing to analyze transaction costs before making decisions increases risks.

In further expressing the need to be proactive in analyzing transaction costs first, P3 indicated the importance of identifying baseline data before seeking an outsource provider. According to P3, "Prior to outsourcing aspects of IT support, I implemented automated measures of a number of Information Technology Infrastructure Library based key metrics. We established the in-house baseline over a period of 2 years." Establishing a baseline aligned with Gurung and Pratter's (2006) assertion that leaders can use the TCT framework to weigh the costs and benefits of outsourcing IT operations. To determine whether outsourcing is a prudent choice, a clear understanding of the company's transaction costs is essential for all business leaders (Ketokivi & Mahoney, 2016). Once a company has a clear understanding, they can begin determining potential outsource providers. For example, P2 stated, "We put down certain criteria and then brought all the information together and scored each vendor. The vendor that scored the highest was then in the driving seat." Finding the most appropriate vendor aligns with previous findings indicating that an understanding of a company's baseline data will ensure that business leaders accurately analyze expected business growth, productivity, and costs (Hsieh et al., 2016).



The process of choosing a provider is a key component of the outsourcing process, but the development of a clear and concise contract is also important. According to the research, business leaders must develop and secure offshore outsourcing contracts before making any actual investment in outsourcing (Aubert et al., 2017; Liang et al., 2016; Schermann, Dongus, Yetton, & Krcmar, 2016). Table 2 includes participant responses regarding offshore outsourcing contracts. P2 identified a potential danger related to the verbiage and expectations outlined in the contract, asserting that complicated language in a contract results in ambiguity and potential issues, while clear expectations ensure that all parties know what is expected of them to fulfill their end of the agreement. P1 further supported the importance of developing a detailed contract by stating, “We’re telling the vendor and spelling out specifically this is what they’re expecting to do, the services they need to provide.” As such, P1 explained that the contract must be as accurate as possible from the start, and all parties must have a clear understanding of all components before signing. P1 stated, “The better the contract is, the easier everything else is during the rotation.” Assuring contract accuracy is an essential step in the offshore outsourcing process aligned with the key concepts of TCT, as TCT is an economic theory that businesses use to control risks and uncertainty (Williamson, 1979), which can begin with ensuring all parties understand what is expected of them.

Table 2

*Theme 1: Interview Questions, Interpretation and Analysis, and Emergent Themes*

Excerpts of answers from interview questions relevant to Theme 1 (preparation)	Interpretation and analysis	Emergent
P1, Q2: "...a lot of it comes down to vendor negotiation, and getting that initial contract and statement set up. So again, it's getting that contact agreement. It took us 12 to 18 months. We're telling the vendor and spelling out specifically this is what they're expecting to do, the services they need to provide."	The process of choosing an outsource provider is not simplistic and requires research and investigation before the choice is made.	Taking prepar... appro... will be effecti...
P2, Q1: "...we sat down as an internal team and basically put down on paper, very formally, the questions that we were going to ask any potential suppliers. We wanted to make sure that we, treated each supplier consistently. So, we were asking the suppliers the same questions. Which would allow us to compare for like answers. And then ultimately, we sort of, we took all those interviews. We also had onsite visits."	To choose properly choose an outsource provider there needs to be an understanding of the expectations on the part of the business and all potential outsource provider candidate interviews should have consistency.	To pro... outsou... time n... develo... intervi... proces...
P3, Q1: "Prior to outsourcing aspects of IT support, I implemented automated measures of a number of ITIL [Information Technology Infrastructure Library] based key metrics. We established the in-house baseline over a period of two years."	The process for determining needs began two years before they began choosing an outsource provider.	To ens... choosi... provid... have a... of thei...

While a large portion of the preparations before outsourcing relate to choosing the offshore outsourcing providers and developing the contract, plans for transitioning to the provider are also key. According to Wernefelt (1984), RBV is a conceptual framework used to analyze how competitive a business is in the market, as well as how effectively it

is using its resources. The choice to transition IT to offshore outsourcing may be one step for effectively managing resources, but it is not a simple task. To ensure that the outsourcing process does not impede existing service levels, P2 asserted that processes were implemented to ensure existing services remained consistent. Additionally, P2 explained that during the training of the outsource provider agents, they retained existing staff who assisted the new supplier with information answering questions they may have during the implementation process. These actions clearly indicated effective management and aligned with Wang et al.'s (2018) assertion that to survive complicated situations, coordination among mechanisms must occur.

Theme 1 indicates it is important to ensure thorough preparation before outsourcing occurs. Thorough preparation includes developing formal questions and a plan for evaluating potential providers, identifying baseline data before beginning the search process, and developing a clear and concise contract. If businesses implement these strategies, they are more likely to enter into contracts with outsource providers that will elicit fruitful and successful partnerships.

### **Theme 2: Accountability**

The second theme to emerge from data analysis and coding was the importance of holding both the business and outsource provider accountable for contractual expectations. All three participants indicated the need to monitor the outsource provider's success at meeting key performance indicators (KPIs), as outlined in the contract. Monitoring an outsource provider's success aligns with Coyle's (2018) and Latif et al.'s (2018) findings that proper management by business leaders can reduce potentially

negative results on behalf of the offshore outsourcing vendor. Both P1 and P2 asserted that they held weekly, monthly, and quarterly meetings to ensure all goals were being met.

Frequent meetings to ensure adherence to contractual expectations further aligned to TCT, which provides a method for business leaders to maintain their operation after enlisting an offshore outsourcing provider (Hsieh et al., 2016). During these meetings, P1 explained that the initial purpose of the weekly meetings was to setup service level agreements (SLAs) and KPIs,

And then we had regular meetings weekly to make sure those targets were being met and if they weren't being met, what actions were being taken. We then take remedial actions to make sure those targets would be met going forward. To hit those targets as frequently as possible, we then also had a monthly meeting as well. [The meeting] also monitored the metrics and then on top of that there was a quarterly meeting, which involves more senior members of both the company and the outsource party.

Furthermore, P1 explained that during these meetings, the senior members of both the company and the outsource provider would clarify whether penalties applied, if they were applied, and what might need to occur as far as remediation. The choice of the business leaders to follow this practice aligned with the assertion by Ketokivi and Mahoney (2016) that transactions are complicated and business leaders must analyze costs in an effective manner.

In addition, both P1 and P2 explained that the company must be held accountable for their role in the outsourcing relationship and as such must follow the expectations outlined in the contract. P1 indicated the importance of accurate forecasting on the part of the company. Although the outsource provider may receive penalties for failing to achieve SLAs and KPIs, the company must ensure accurate forecasting to prevent losing money. P1 provided the following example,

If I was 10% under forecast and under number of calls that were coming in, they couldn't be penalized if they missed any of their SLAs. And if I miss that, by a significant amount, we cannot penalize them for not hitting their targets. Because we didn't give them the right indications of the calls they were going to get. We pay them based on the forecast. So then, there is pressure on me for my own company not to overpay them every month when I say there is going to be 3,000 calls, when there's only going to be 2,000. Because then we will have to pay that extra thousand.

Although P2 also referenced the fiscal responsibility facing the outsource provider if they failed to meet SLAs and KPIs, P2 asserted (see Table 3) that quality control was an essential part of preventing any missed targets. According to P2, quality control was a two-part process that involved the outsource provider on one end and the company on the other. For example, P2 stated, "Each region had a service level manager. And they basically kept a very close eye on the KPIs and would deal with any quality issues." While the company also had a quality process, which P2 asserted involved "documenting and tracking all quality issues and measuring them on a weekly basis, with the

expectation that the number of quality issues would go down.” P3 further indicated the importance of following “the KPIs and staying consistent regarding what we agreed on in the contract principles and underlines. Making sure we also monitored quality issues reported by users and ensuring we continue improving the service in total collaboration with the supplier.”

Table 3

*Theme 2: Interview Questions, Interpretation and Analysis, and Emergent Themes*

Excerpts of answers from interview questions relevant to Theme 2 (accountability)	Interpretation and analysis	Emergent themes
<p>P1, Q1: “And then we had regular meetings weekly to make sure those targets were being met and if they weren’t being met, what actions were being taken. We then take remedial actions to make sure those targets would be met going forward. To hit those targets as frequently as possible, we then also had a monthly meeting as well. [The meeting] also monitored the metrics and then on top of that there was a quarterly meeting, which involves more senior members of both the company and the outsource party.”</p>	<p>Participant noted the importance regular meetings to ensure all expectations are being met and that if they are not remedial action is taken.</p>	<p>Frequent meetings to ensure the company meets the business contract. A key important to processes in which one party through on the outlined in</p>
<p>P2, Q1: “Each region had a service level manager. And they basically kept a very close eye on the KPIs and would deal with any quality issues.”</p>	<p>Specific individuals must be assigned the responsibility of ensuring adherence to the contract and addressing any issues.</p>	<p>Accountability specific individuals the expectations adhered to.</p>
<p>P3, Q3: “...the KPIs and staying consistent regarding what we agreed on in the contract principles and underlines. Making sure we also monitored quality issues reported by users and ensuring we continue improving the service in total collaboration with the supplier.”</p>	<p>The business is responsible for ensuring the outsource provider is adhering to the expectations outlined in the contract. They cannot simply assume the provider will follow the expectations but must monitor the provider for quality issues and adherence to the contract.</p>	<p>If the business outsource provider the contract be accountable</p>

The participants’ responses regarding adherence to protocols and expectations for both the business and provider indicated a concerted effort on the part of the business leaders to prevent prioritizing certain members of one organization over others. Giving

certain members of an organization preferential treatment aligned with Coyle's (2018) assertion that when businesses prioritize certain members, problematic relationships may result. The prevention of such behavior as indicated by P1, P2, and P3 supports their application of cultural and customs theory and subsequent successful experiences regarding offshore outsourcing.

As demonstrated from reviewing Theme 2, it is important that business managers hold both the business and outsource provider accountable for contractual expectations. Ensuring accountability can occur through monitoring the outsource provider's success at meeting items outlined in the contract, frequent meetings to ensure adherence to contractual expectations, and adherence of the business to their contractual expectations through such things as accurate forecasting. When businesses implement these strategies, they can ensure all parties adhere to the contract and develop strong and beneficial relationships.

### **Theme 3: Continuous Involvement**

The third theme to emerge from analysis of the data related to the continuous development of a successful business/provider relationship. All three participants identified components related to the development of a successful relationship, which included items related to communication, addressing issues, and continuous learning. Both P1 and P2 identified the importance of communication between the company and the vendor both before and after the implementation process. For example, regarding the training of personnel P1 explained,



Our training time [for new personnel] was about four when the service was inhouse. I think [the outsource provider] were planning [training] in like two and that was okay. But it's important to understand how are they going to do that? What's that going to look like? And what support is needed?

While P2 explained the importance of instituting “a very clear project plan and training plan for the supplier to avoid any excuses about why they don't have their agents trained or have enough agents.” Both responses align with TCT regarding the importance of focusing on streamlining processes, integrating labor, and ensuring consistent quality for customers (Kaipia & Turkulainen, 2016). The use of communication also helps to align the different practices and values that may arise from the implementation of international outsourcing to achieve shared goals and increase trust between parties (Dahlgrün & Bausch, 2019), which is a component of cultural and customs theory.

Additionally, P1 identified the importance of communication when issues arise, specifically regarding understanding what the issues are and governance to ensure the noting and addressing of issues. According to P1 this explicitly relates to communication between the customers and the outsource provider regarding quality issues: “Sometimes they told the vendor what the issue was and sometimes they did not. But my argument was that if you don't tell the vendor about the problems, how is the vendor going to fix the problem?” Furthermore, P1 explained that those involved in the governance process from the business's side must garner an understanding regarding what the actual issue is and who is responsible, “Is the issue on the vendors' side? Is it on the company's side?”

Regarding communication of issues, P2 agreed and explained the importance of communication from both sides, in addition to “a willingness to be open regarding what the issue was and who was responsible for addressing it.” The responses of P1 and P2 aligned with the literature regarding the importance of managing outsourced relationships to avoid failure in the outsourced operations (Yang et al., 2016). Furthermore, the communication practices P1 and P2 incorporated aligned with literature. For example, Chen et al. (2014) indicated that building trust, effective communication skills, and cooperation increases the ability of the outsourcers and the outsource providers to forge satisfactory relationships.

All three participants identified addressing issues as a key component of developing a successful relationship between the business and the outsource provider. Both P1 and P3 acknowledged the importance of recognizing that with offshore outsourcing, there comes a learning curve for the outsource provider. For example, P1 explained that part of the governance process involves looking at complaints and examining the company metrics to determine whether the complaint was valid or exaggerated. P1 asserted that when the complaint is valid, the outsource provider must be held accountable, but that it should be done with respect to acknowledging the learning curve and the recognition that mistakes are going to be made. In contrast, P3 indicated the importance of recognizing that the learning curve must occur on both sides. For instance, P3 stated,

Following outsourcing of some IT services, we discovered that the diversity of manufacturing practices did not allow for the implementation of a single support

process. Different sites used different software for different tasks and were unable to reconcile to a common set of tools, even after an extensive worldwide project. Rather than punish the outsourcer for being unable to support these specialist areas, some of the internal on-site IT Support staff were moved into Level 2 support roles to avoid any negative impacts on the internal customers.

This response aligns with both cultural and customs theory and the RBV.

According to Awan et al. (2018), if the business leaders of a company do not adequately understand the area in which they intend to outsource work, they cannot impose appropriate protocols to counteract these cultural gaps. The findings aligned with the tenets of the RBV, which indicates the importance of encouraging cooperation and using resources to operate and grow a business (Hoskisson & Gambeta, 2017).

Concerning the need to address issues as a key component of developing a successful relationship between the business and the outsource provider, P2 asserted that improvement must occur as knowledge increases as well as the importance of providing continuous training. For example, P2 stated:

We made it clear to the supplier that as their knowledge of the company increased, we would expect an even better performance from them. So, as they learned more, the KPIs increased and became a part of continuous improvement. This was done to try and make sure that the organization was getting the level of service that they required.

P2's statements relate to the research on the RBV as the customers are stakeholders and as such without their purchase, the company has no reason to exist and no finances to

remain competitive (Hitt et al., 2016; Verwaal, 2017). Given the lack of retention rates according to P2, education of users and continuous training were key to ensuring the satisfaction of stakeholders and the sustainability of the business.

In addition, both P1 and P3 indicated that redefining issues was essential to sustaining business practices. For example, P1 indicated that once the outsourcing was implemented “...there’s different questions that we must deal with properly. Sometimes execution results in expectations that were not very black and white. So, all that has to be defined again.” P1 clarified this explaining,

There are 200 sites in the Europe-Middle East-Asian Pacific and African regions alone. So, it takes time for people to get used to the change, so we try and have as much time and organization as possible. But there are always little exceptions. And even then, not all sites make the same stuff or have the same operating systems.

This aligned with cultural and customs theory literature, which indicated that differences in culture manifest differently in the outsourced workplace and within the political dimensions of outsourcing (Awan et al., 2018; Chang & Búrca, 2016; Gorodnichenko et al., 2018). Specifically, the location of sites throughout the Europe-Middle, East-Asian Pacific, and African regions would include both cultural and execution-based issues that the business and the outsource provider must consider when addressing issues.

As seen in Table 4, P1 and P3 also indicated that although due diligence occurred during the preparation phase, some contractual items will need clarification once outsourcing begins. For example, P1 shared the following:

I've read this line of the contract this way and the vendors read it that way. So, we need to get together and figure out, not necessarily who's right and who's wrong, but we need to figure out an agreement of what we're doing from this point.

Exactly on the same page and having that level of understanding.

In contrast, P3 shared an instance where although the contract was signed:

The outsourcer challenged the validity of our baseline stating they did not see how it was possible to provide the stated level of service with the organization we had in place. Only after providing considerable evidence did we convince them we had in fact achieved those numbers, forcing them to reassess their own recruitment, training, and management practices.

The actions on the part of the business leaders to provide evidence supported the value they place on all stakeholders. Perceiving employees as an asset aligns with the RBV as a company's employees are an example of a resource (Lorentz et al., 2018). The acknowledgment that employees can add to the business' operations indicates the importance of providing evidence regarding expectations, rather than simply demanding adherence (Lorentz et al., 2018). Additionally, according to Gerbl et al. (2015) and Nujen et al. (2018) within TCT, challenges with performance management and performance measurement can put strains on outsourcing practices.

Table 4

*Theme 3: Interview Questions, Interpretation and Analysis, and Emergent Themes*

Excerpts of answers from interview questions relevant to Theme 3 (continuous involvement)	Interpretation and analysis	Emergent Themes
<p>P1, Q6: "...our training time [for new personnel] was about four when the service was inhouse. I think they [the outsource provider] were planning [training] in like two and that was okay. But it's important to understand how are they going to do that? What's that going to look like? And what support is needed?"</p>	<p>The business must be involved in ensuring the outsource provider is prepared for effectively executing each step of the process.</p>	<p>The business relationship provider of the</p>
<p>P2, Q1: "We made it clear to the supplier that as their knowledge of the company increased, we would expect an even better performance from them. So, as they learned more, the KPIs increased and became a part of continuous improvement. This was done to try and make sure that the organization was getting the level of service that they required."</p>	<p>Incorporating continuous development among members of the outsource provider team is as important as among members of the business team.</p>	<p>Continuous occurrence of the outsource provider service</p>
<p>P3, Q5: "The outsourcer challenged the validity of our baseline stating they did not see how it was possible to provide the stated level of service with the organization we had in place. Only after providing considerable evidence did we convince them we had in fact achieved those numbers, forcing them to reassess their own recruitment, training, and management practices."</p>	<p>The business had evidence to support their expectations of the outsource provider, which they were able to use when applicable to ensure adequate services were provided.</p>	<p>Provider outsource increase collaboration to the being provided not si</p>

As seen from reviewing Theme 3, it is important to ensure continuous involvement in developing a successful business/provider relationship. Continuous involvement can occur through clear communication, appropriate addressing of issues, and continuous learning. When businesses implement these strategies in their relationship

with the outsource provider they ensure that the provider understands the business will not only actively participant to ensure effective service, but will also collaborate to assist the outsource provider should the need occur.

### **Applications to Professional Practice**

Despite the wide acceptance of offshore outsourcing as a viable method for reducing costs, other considerations must occur to effectively maintain operations. Offshore outsourcing implementation contracts cost companies in the European Union over \$5.5 billion in the first three months of 2015 (European Union Statistical Office, 2015). All study participants indicated the necessity of putting consistent policies and procedures in place to ensure managers use appropriate techniques to maintain their organization after the implementation of offshore outsourcing. The research findings revealed that companies have success using a variety of outsourcing models and frameworks. The selected participants confirmed that organizational managers can effectively maintain their business using offshore outsourcing, which aligns with the results of the research of extant literature regarding offshore outsourcing.

The strategies identified in this study might provide other managers with a framework for implementing policies and procedures to maintain their organization after the implementation of offshore outsourcing, which could result in creating strategies and processes at the front-end to ensure all parties understand expectations, implementing fiscal consequences for the outsource providers failing to meet expected targets outlined in the contract, developing continuous communication protocols, ascertaining accurate forecasting for the outsource providers, and employing continuous training practices for

both new and current employees. Organizations seeking to modify offshore outsourcing policies and procedures using TCT, the management of HR, and CPV could apply findings of this study as a blueprint for application. To ensure that policies and procedures are effective and long-lasting, Chen et al. (2014) and Nujen et al. (2018) indicated that building trust, effective communication skills, and cooperation, vendors and outsourcers were able to forge satisfactory relationships. Finally, Chen et al. (2014) established that managers should communicate with vendors to transfer relevant knowledge and provide quality documents for optimal work in effective offshore outsourcing.

Participant strategies included the use of preparation before implementing offshore outsourcing by understanding of a company's baseline data, developing a clear and concise contract, having plans for transitioning, providing evidence regarding expectations, rather than simply demanding adherence, preventing prioritizing certain members of an organization over others, and having communication and coordination between the company and the vendor both before and after the implementation process to help organizational managers create or revise company-wide outsourcing policies. The revision of policies to include more effective outsourcing strategies might provide organizations with systems to help increase cultural understanding and foster increased productivity. Although outsourcing strategies are applicable to a variety of organizations, the strategies might not apply to organizations in specific fields. Using strategies from this study might help organizational managers place cultural considerations at the center of attention for outsourcing managers and keep them informed about policies that need



revision within the organization. Cultural and business awareness is critical for increasing the efficiency and effectiveness of an international outsourcing organization (Bahli & Rivard, 2017). Managers could use the ability to anticipate potential problems by the leadership team help business managers avoid financial loss (Yap et al., 2016) The findings, conclusions, and recommendations from this study can contribute to creating efficient business practices in offshore outsourcing, adding value to companies engaged in offshore outsourcing.

### **Implications for Social Change**

The results of this study might contribute to positive social change by having the outsourcing country and the vendor's country can both benefit from the economic stimulation associated with the successful implementation of offshore outsourcing (Gummerus et al., 2016; Munjal et al., 2018). In addition, the vendor country could experience economic development through facilitating outsourcing contracts, and the outsourcing country could benefit by being able to offer more cost-effective products and solutions. The results of this study may help business managers to avoid unsuccessful outsourcing contracts, which may cause their organization to fail and result in fewer jobs in local markets. The findings and recommendations of this study could assist managers in contributing to social progress through the support of the local communities by employing community members, investing in infrastructure projects, and enhancing collaboration among local businesses.

### **Recommendations for Action**

The results presented in this study could assist managers in setting consistent policies and procedures in place to ensure managers use appropriate procedures to maintain their organization after the implementation of offshore outsourcing. Managers could foster more effective offshore outsourcing policies, practices, and procedures by incorporating TCT, CPV, and company analysis through the lens of RBV. Organizational managers should consider the following recommendations:

- Incorporate TCT, CPV, and offshore outsourcing company analysis through the lens of cultural and customs theory and the RBV to develop effective strategies, policies, and procedures that account for differences;
- Ensure being fully prepares before implementing offshore outsourcing by understanding a company's baseline data to accurately analyze expected business growth, productivity, and costs.
- Make certain, through the development of a clear and concise contract, that all parties have an awareness of expectations;
- Provide evidence regarding valid and efficient expectations, rather than simply demanding adherence;
- Include effective plans for transitioning to the provider;
- Initiate communication between the company and the vendor before and after the implementation process;
- Ensure making a concerted effort on the part of the business leaders to prevent prioritizing certain members of an organization over others; and

- Develop continuous training practices for both new and current employees.

To encourage the use of the strategies indicated above, I will provide each participant with a summary of the findings after my study has been published in ProQuest. I will also share a summary of the findings with the senior managers at offshore outsourcing meetings, conferences, workshops, or training seminars. After printing information regarding more effective offshore outsourcing, I will distribute the materials to organizational managers when visiting different locations and strive to make presentations in work environments where offshore outsourcing is a main component of the business.

### **Recommendations for Further Research**

Organizational manager perspectives and practices are important to study (Sanchez et al., 2017). The knowledge regarding the strategies some organizational managers used to maintain their businesses using offshore outsourcing that came from this study contributed to addressing a gap in the understanding of effective business practices related to offshore outsourcing. The findings of this study confirmed previous research concerning the use of offshore outsourcing to maintain and enhance business. Based on the limitations of this qualitative single case study, I have identified areas for further research. The study included three offshore outsourcing leaders from one organization. Conducting further research using a quantitative method to include more than one organization and a larger sample size of participants working the same schedules within different organizations could reveal further strategies applicable to offshore outsourcing. One limitation was the workplace culture that can occur in a

specific organization, and the need for a broader survey of business leaders' strategies for offshore outsourcing. I recommend further research on multiple organizations or workplace cultures, which could add to business growth, productivity, and effectively managing resources. A geographical area outside the northern region of the United Kingdom with a larger population could help to address the third limitation regarding the lack of transferability to other businesses.

Data regarding offshore outsourcing and the lack of scholarly research on the topic indicated the need for research regarding how to maintain businesses using offshore outsourcing. Information is lacking regarding language proficiency and the ability to act effectively when issues arise (Schermann et al., 2016). Participant responses indicated that challenges with performance management and performance measurement can put strains on outsourcing practices. Future researchers could further address potential drawbacks of failing to analyze transaction costs before making decisions, the failure to fulfill business managers' expectations, and the outsource providers failing to meet expected targets outlined in the contract.

Finally, based on limited information from the literature review and participant responses, researchers might benefit from studying different aspects concerning understand the different economic beliefs, cultural values, and work behaviors of people in many different countries. Researchers could use the quantitative method or mixed method approach to examine the relationship between cultural values, meeting expectations, and generating increased multinational outsourcing. Generating a larger data set in a greater variety of businesses could reveal even more effective strategies to

maintain an organization after the implementation of offshore outsourcing and contribute to increasing generalizability. Researchers could use the quantitative method or mixed method to gain new insights, which could help bridge the gaps that exist between cultures.

### **Reflections**

In starting the journey of pursuing a Doctor of Business Administration (DBA), I have achieved a great sense of accomplishment. Pursuing this goal was wrapped up in high professional and personal goals for myself, and at times I felt challenged with prioritizing and balancing the responsibilities of family, work, and school throughout the process. Persistence and time management were essential throughout the entire process. The DBA educational process provided me with accessible resources, which allowed me to develop my writing skills. One challenge I experienced in conducting this study was in preventing any personal biases from influencing the results of the research. I set aside my initial thoughts and beliefs that could reduce missing the richness of alternative perspectives about the exploration of effective strategies for increasing the efficiency of offshore outsourcing. Before I started research on offshore outsourcing, I believed that cultural differences were a relatively straightforward issue to address problems with international offshore outsourcing. Yet, after reading and analyzing the numerous articles available on offshore outsourcing, I learned that the issue is complex and requires further study. I learned that creating effective practices could affect social change throughout outsourcing organizations where both the business and the outsource provider must both be accountable, they need to ensure correct preparation before outsourcing occurs, and

the requirement for continuous involvement in developing a successful business/provider relationship. In conducting this doctoral research study, I realized developing strategies specifically for an organization is complex; yet, can increase organization practices and policies related to the success of maintaining offshore outsourcing.

In collecting and analyzing the data to support this study, at first, I underestimated the amount of time needed and the challenges of recruiting participants who met criteria eligibility. Nevertheless, the limited sample size still granted participants who shared enough information concerning offshore outsourcing, which lead to achieving data saturation and concluding the data collection process. My initial goal in beginning this academic journey was to persevere against all odds, and I achieved this objective. Along my doctoral journey, I contended with changes in leadership and changes in vendors. Regardless, I was able to realize my dream of earning my degree and I am grateful to the process.

### **Conclusion**

Current offshore outsourcing activities are a product of higher demands for heightened productivity and business leaders' desire to reduce organizational costs by concentrating internally on their companies' resources and competencies. Many companies use offshore outsourcing to reduce organizational costs. However, third parties contracted to implement offshore outsourcing fail to meet business managers' expectations. Many managers strive to maintain the outsourced operations on different levels and for varying reasons because failures can occur due to a lack of language proficiency or an inability to act effectively when issues occur.

The purpose of this qualitative single case study was to explore strategies and processes business managers use to maintain their organization after the implementation of offshore outsourcing. The research findings revealed that companies have success using a variety of outsourcing models and frameworks. The three selected participants confirmed that organizational managers can effectively maintain their business using offshore outsourcing, which aligns with the results of the research of extant literature regarding offshore outsourcing.

During data analysis, I focused on themes pertinent to the central research question and the conceptual framework. Based on analysis of the data concerning participant responses, three major themes emerged: (a) preparation before outsourcing occurs, (b) accountability for both the business and the outsource provider, (c) continuous involvement in developing a successful business/provider relationship. The study findings confirmed with existing literature and knowledge regarding the need for business managers to implement strategies and processes at the front-end to ensure all parties understand expectations; institute fiscal consequences for the outsource providers failing to meet expected targets outlined in the contract; develop continuous communication protocols; ascertain accurate forecasting for the outsource providers; and employ continuous training practices for both new and current employees. The strategies considered in this study might also provide managers within other organizations with tools for creating effective policies and procedures concerning effective offshore outsourcing.

## References

- Ali, S., Li, H., Khan, S. U., & Zhongguo, Y. (2017). Industrial validation of software outsourcing partnership model (SOPM): A case study protocol. *Journal of Software, 12*, 773–782. doi:10.17706/jsw.12.10.773-782
- Almalki, S. (2016). Integrating quantitative and qualitative data in mixed methods research: Challenges and benefits. *Journal of Education and Learning, 5*, 288–296. doi:10.5539/jel.v5n3p288
- Antwi, S. K., & Hamza, K. (2015). Qualitative and quantitative research paradigms in business research: A philosophical reflection. *European Journal of Business and Management, 7*, 217–225. Retrieved from <http://www.ejbss.com>
- Aubert, B. A., Houde, J. F., Rivard, S., & Patry, M. (2017). Determinants of contract completeness for information technology outsourcing. *Information Technology and Management, 18*, 27–292. doi:10.1007/s1079
- Awan, U., Kraslawski, A., & Huiskonen, J. (2018). Governing interfirm relationships for social sustainability: The relationship between governance mechanisms, sustainable collaboration, and cultural intelligence. *Sustainability, 10*(12), 1–20. doi:10.3390/su10124473
- Bahli, B., & Rivard, S. (2017). The information technology outsourcing risk: A transaction cost and agency theory-based perspective. In *Outsourcing and offshoring business services* (pp. 53–77). Cham, Switzerland: Palgrave Macmillan. doi:10.1007/978-3-319-
- Bals, L., Kirchoff, J. F., & Foerstl, K. (2016). Exploring the reshoring and insourcing



- decision-making process: Toward an agenda for future research. *Operations Management Research*, 9(3–4), 102–116. doi:10.1007/s12063-016-0113-0
- Barney, J. (1991). Firm resources and sustained competitive advantage. *Journal of Management*, 17, 99–120. doi:10.1177/014920639101700108
- Benaroch, M., Lichtenstein, Y., & Fink, L. (2016). Contract design choices and the balance of ex ante and ex post transaction costs in software development outsourcing. *MIS Quarterly*, 40(1), 57-82. doi:10.25300/misq/2016/40.1.03
- Birt, L., Scott, S., Cavers, D., Campbell, C., & Walter, F. (2016). Member checking: A tool to enhance trustworthiness or merely a nod to validation? *Qualitative Health Research*, 26, 1802–1811. doi:10.1177/1049732316654870
- Castleberry, A., & Nolen, A. (2018). Thematic analysis of qualitative research data: Is it as easy as it sounds? *Currents in Pharmacy Teaching and Learning*, 10, 807–815. doi:10.1016/j.cptl.2018.03.019
- Chang, J., & Búrca, C. D. (2016). An investigation into how small companies in London and the South East UK engage in IT offshore outsourcing and the impact of culture on this phenomenon. *Procedia Computer Science*, 100, 611–618. doi:10.1016/j.procs.2016.09.202
- Chen, F., Xiang, T., & Yang, Y. (2014). Privacy-preserving and verifiable protocols for scientific computation outsourcing to the cloud. *Journal of Parallel and Distributed Computing*, 74, 2141–2151. doi:10.1016/j.jpdc.2013.11.007
- Choi, J. J., Ju, M., Kotabe, M., Trigeorgis, L., & Zhang, X. T. (2018). Flexibility as firm value driver: Evidence from offshore outsourcing. *Global Strategy Journal*, 8,

351–376. doi:10.1002/gsj.1181

Coyle, D. J. (2018). A cultural theory of organizations. In *Culture matters* (pp. 59–78).

London, England: Routledge.

Cruz, W., Munasinghe, M., & Warford, J. (Eds.). (1998). The greening of economic policy reform: Volume II: Case studies. World Bank Group. doi:10.1596/0-8213-3797-1

Dahlgrün, P. W., & Bausch, A. (2019). How opportunistic culture affects financial performance in outsourcing relationships: A meta-analysis. *Journal of International Management*, 25(1), 81-100. doi:10.1016/j.intman.2018.08.001

Denzin, N. K. (2017). *The research act: A theoretical introduction to sociological methods*. Abington, United Kingdom: Routledge.

Denzin, N. K., & Lincoln, Y. S. (2018). *The Sage handbook of qualitative research* (5th ed.). Thousand Oaks, CA: Sage.

Duncan, N. B. (1998). Beyond opportunism: A resource-based view of outsourcing risk. In *Proceedings of the thirty-first Hawaii International Conference on system sciences* (Vol. 6, pp. 675–684). IEEE.

Fusch, P., & Ness, L. (2015). Are we there yet? Data saturation in qualitative research. *The Qualitative Report*, 20, 1408–1416. Retrieved from <https://nsuworks.nova.edu/tqr/>

Fusch, G. E., & Ness, L. R. (2017). How to conduct a mini-ethnographic case study: A guide for novice researchers. *The Qualitative Report*, 22, 923–941. Retrieved from <https://nsuworks.nova.edu/tqr/>

- Gerbl, M., McIvor, R., Loane, S., & Humphreys, P. (2015). A multi-theory approach to understanding the business process outsourcing decision. *Journal of World Business, 50*, 505–518. doi:10.1016/j.jwb.2014.08.009
- Geyskens, I., Steenkamp, J. B. E., & Kumar, N. (2006). Make, buy, or ally: A transaction cost theory meta-analysis. *Academy of management journal, 49*, 519–543. doi:10.5465/amj.2006.21794670
- Gorodnichenko, Y., Kukharskyy, B., & Roland, G. (2018). *Cultural distance, firm boundaries, and global sourcing*. New York, NY: Mimeo.
- Grillo-Espinoza, H., Mula, J., Martinez, S., & Errasti, A. (2018). Key parameters for the analysis stage of internationalization of operations. *Brazilian Journal of Operations & Production Management, 15*, 173–181. doi:10.14488/bjopm.2018.v15.n2.a1
- Gummerus, A., Airaksinen, M., Bengtström, M., & Juppo, A. (2016). Values and disadvantages of outsourcing the regulatory affairs tasks in the pharmaceutical industry in EU countries. *Pharmaceutical Regulatory Affairs, 5*(161), 2–7. doi:10.4172/2167-7689.1000161
- Gurtu, A., Searcy, C., & Jaber, M. Y. (2016). Effects of offshore outsourcing on a nation. *Sustainable Production and Consumption, 7*, 94–105. doi:10.1016/j.spc.2016.06.001
- Gurung, A., & Pratter, E. (2006). A research framework for the impact of cultural differences on IT outsourcing. *Journal of Global Information Technology Management, 9*, 24-43. doi:10.1080/1097198X.2006.10856413

- Hammarberg, K., Kirkman, M., & de Lacey, S. (2016). Qualitative research methods: When to use them and how to judge them. *Human Reproduction, 31*, 498–501. doi:10.1093/humrep/dev334
- He, H., & Yu, Z. (2018). Product quality, incomplete contract, and the product cycle. *International Review of Economics & Finance, 53*, 160–167. doi:10.1016/j.iref.2017.10.003
- Hitt, M. A., Xu, K., & Carnes, C. M. (2016). Resource based theory in operations management research. *Journal of Operations Management, 41*, 77–94. doi:10.1016/j.jom.2015.11.002
- Hoskisson, R. E., & Gambeta, E. (2017). Is my firm-specific investment protected?: Overcoming the stakeholder investment dilemma in the resource-based view. *The Academy of Management Review, 43*, 284–306. doi:10.5465/amr.2015.0411
- Hsieh, C. T., Huang, H. C., & Lee, W. L. (2016). Using transaction cost economics to explain open innovation in start-ups. *Management Decision, 54*, 2133–2156. doi:10.1108/MD-01-2016-0012
- Kaipia, R., & Turkulainen, V. (2016). Managing integration in outsourcing relationships—The influence of cost and quality priorities. *Industrial Marketing Management, 61*, 114–129. doi:10.1016/j.indmarman.2016.04.001
- Ketokivi, M., & Mahoney, J. T. (2016). Transaction cost economics as a constructive stakeholder theory. *Academy of Management Learning & Education, 15*(1), 123–138. doi:10.1257/jel.38.3.595
- Korstjens, I., & Moser, A. (2018). Series: Practical guidance to qualitative research. Part

- 4: Trustworthiness and publishing. *European Journal of General Practice*, 24(1), 120–124. doi:10.1080/13814788.2017.1375092
- Kumar, K., Van Dissel, H. G., & Bielli, P. (1998). The merchant of Prato-revisited: Toward a third rationality of information systems. *MIS quarterly*, 22, 199–226. doi:10.2307/249395
- Lachmann, M., Trapp, I., & Trapp, R. (2017). Diversity and validity in positivist management accounting research: A longitudinal perspective over four decades. *Management Accounting Research*, 34, 42–58. doi:10.1016/j.mar.2016.07.002
- Lacity, M., Yan, A., & Khan, S. (2017). Review of 23 years of empirical research on information technology outsourcing decisions and outcomes. In *Proceedings of the 50th Hawaii international conference on system sciences*. Retrieved from <https://core.ac.uk>
- Latif, K., Ismail, M. N., Nazri, M., & Mohd Nor, M. R. (2018). Conceptual propensity of outsourcing success through robust model development. *Arabian Journal of Business and Management*, 7(4), 1–18 doi:10.12816/0052239
- Lee, J. (2017). Strategic risk analysis for information technology outsourcing in hospitals. *Information & Management*, 54, 1049–1058. doi:10.1016/j.im.2017.02.010
- Levitt, H. M., Bamberg, M., Creswell, J. W., Frost, D. M., Josselson, R., & Suárez-Orozco, C. (2018). Journal article reporting standards for qualitative primary, qualitative meta-analytic, and mixed methods research in psychology: The APA Publications and Communications Board task force report. *The American Psychologist*, 73(1), 26–46. doi:10.1037/amp0000151

- Liang, H., Wang, J. J., Xue, Y., & Cui, X. (2016). IT outsourcing research from 1992 to 2013: A literature review based on main path analysis. *Information & Management, 53*, 227–251. doi:10.1016/j.im.2015.10.001
- Livanis, G., Robertson, C. J., Al-Shuaibi, K. M., & Hussain, K. (2016). Outsourcing destination choices: The role of economic and cultural attributes. *International Marketing Review, 33*(1), 51–87. doi:10.1108/IMR-05-2014-0179
- Lojacono, G., Misani, N., & Tallman, S. (2016). Offshoring, local market entry, and the strategic context of cross-border alliance: The impact on the governance mode. *International Business Review, 26*(3), 435–447. doi:10.1016/j.ibusrev.2016.10.006
- Lorentz, H., Kumar, M., & Srari, J. S. (2018). Managing distance in international purchasing and supply: a systematic review of literature from the resource-based view perspective. *International Business Review, 27*, 339–354. doi:10.1016/j.ibusrev.2017.09.002
- Makrakis, V., & Kostoulas-Makrakis, N. (2016). Bridging the qualitative–quantitative divide: Experiences from conducting a mixed methods evaluation in the RUCAS programme. *Evaluation and Program Planning, 54*, 144–151. doi:10.1016/j.evalprogplan.2015.07.008
- Maramwidze-Merrison, E. (2016). Innovative methodologies in qualitative research: Social media window for accessing organisational elites for interviews. *Electronic Journal of Business Research Methods, 14*, 157–167. Retrieved from [www.ejbrm.com](http://www.ejbrm.com)

- Marshall, C., & Rossman, G. B. (2016). *Designing qualitative research* (6th ed.). Thousand Oaks, CA: Sage.
- Mehta, A., & Mehta, N. (2017). Moving toward an integrated framework of offshore information technology outsourcing success. *Journal of Global Information Technology Management*, 20, 171–194. doi:10.1080/1097198x.2017.1354596
- Mills, J., Harrison, H., Franklin, R., & Birks, M. (2017). Case study research: Foundations and methodological orientations. *Forum Qualitative Sozialforschung / Forum: Qualitative Social Research*, 18(1), 1–17. doi:10.17169/fqs-18.1.2655
- Min, H., Joo, S. J., & Nicolas-Rocca, T. S. (2016). Information system outsourcing and its impact on supply chain performances. *International Journal of Logistics Systems and Management*, 24, 409–425. doi:10.1504/IJLSM.2016.077280
- Moustakas, C. (1994). *Phenomenological research methods*. Thousand Oaks, CA: Sage.
- Munjal, S., Requejo, I., & Kundu, S. K. (2018). Offshore outsourcing and firm performance: Moderating effects of size, growth and slack resources. *Journal of Business Research*, 103, 484–494. doi:10.1016/j.jbusres.2018.01.014
- National Commission for the Protection of Human Subjects of Biomedical and Behavioral Research. (1979). The Belmont Report: Ethical principles and guidelines for the protection of human subjects of research. Washington, DC: U.S. Department of Health and Human Services. Retrieved from [hhs.gov/ohrp/humansubjects/guidance/Belmont.html](https://www.hhs.gov/ohrp/humansubjects/guidance/Belmont.html)
- Nowell, L. S., Norris, J. M., White, D. E., & Moules, N. J. (2017). Thematic analysis: Striving to meet the trustworthiness criteria. *International Journal of Qualitative*

*Methods*, 16, 1–13. doi:10.1177/1609406917733847

Nujen, B. B., Halse, L. L., Damm, R., & Gammelsæter, H. (2018). Managing reversed (global) outsourcing—the role of knowledge, technology and time. *Journal of Manufacturing Technology Management*, 29, 676–698. doi:10.1108/JMTM-02-2017-0023

Olson, K. (2016). *Essentials of qualitative interviewing*. Abington, United Kingdom: Routledge.

Oltmann, S. (2016). Qualitative Interviews: A methodological discussion of the interviewer and respondent contexts. *Forum Qualitative Sozialforschung / Forum: Qualitative Social Research*, 17(2), 1–16. doi:10.17169/fqs-17.2.2551

Oswald, A. G. (2017). Improving outcomes with qualitative data analysis software: A reflective journey. *Qualitative Social Work: Research and Practice*, 8(3), 436–442. doi:10.1177/1473325017744860

Pellicelli, M. (2018). Gaining flexibility and innovation through offshore outsourcing. *Sustainability*, 10(5), 1–12. doi:10.3390/su10051672

Penrose, E. T. (1959). *The theory of the growth of the firm*. New York: John Wiley

Poorani, T., & Thiyagarajan, S. (2018). Assessing value creation of HR consultants on e-consulting implementation. *Technology in Society*, 55, 160–165. doi:10.1016/j.techsoc.2018.07.008

Radło, M. J. (2017). Offshoring and outsourcing as new challenges for industry in the EU. In *The new industrial policy of the European Union* (pp. 67–85). Cham, Switzerland: Springer.



- Rhodes, J., Lok, P., Loh, W., & Cheng, V. (2014). Critical success factors in relationship management for services outsourcing. *Service Business, 10*(1), 59–86.  
doi:10.1007/s11628-014-0256-8
- Roulston, K. (2016). Issues involved in methodological analyses of research interviews. *Qualitative Research Journal, 16*(1), 68–79. doi:10.1108/QRJ-02-2015-0015
- Runfola, A., Perna, A., Baraldi, E., & Gregori, G. L. (2017). The use of qualitative case studies in top business and management journals: A quantitative analysis of recent patterns. *European Management Journal, 35*, 116–127.  
doi:10.1016/j.emj.2016.04.001
- Sanchez, O. P., Terlizzi, M. A., & Cesar de Moraes, H. R. (2017). Cost and time project management success factors for information systems development projects. *International Journal of Project Management, 35*, 1608–1626.  
doi:10.1016/j.ijproman.2017.09.007
- Saunders, M., Lewis, P., & Thornhill, A. (2016). *Research methods for business students* (7th ed.). Essex, United Kingdom: Pearson Education.
- Shah, D., Russell, B., & Wilkinson, A. (2017). Opportunity and opportunism: The expatriation practices of Indian information technology multinational corporations. *Journal of International Management, 23*, 139–150.  
doi:10.1016/j.intman.2016.11.001
- Schermann, M., Dongus, K., Yetton, P., & Krcmar, H. (2016). The role of transaction cost economics in information technology outsourcing research: A meta-analysis of the choice of contract type. *The Journal of Strategic Information Systems,*

- 25(1), 32–48. doi:10.1016/j.jsis.2016.02.004.
- Shaw, K. (2015). The influence of culture and customs on international business communications. *Editorial Board Members, 14*, 430–436. doi:10.17265/1537-1506/2015.09.003
- Simpson, A., & Quigley, C. F. (2016). Member checking process with adolescent students: Not just reading a transcript. *The Qualitative Report, 21*, 376–392. Retrieved from <https://nsuworks.nova.edu/tqr/>
- Spithoven, A., & Teirlinck, P. (2015). Internal capabilities, network resources and appropriation mechanisms as determinants of R&D outsourcing. *Research policy, 44*, 711–725. doi:10.1016/j.respol.2014.10.013
- Stewart, H., Gapp, R., & Harwood, I. (2017). Exploring the alchemy of qualitative management research: Seeking trustworthiness, credibility and rigor through crystallization. *The Qualitative Report, 22*(1), 1–19. Retrieved from <https://nsuworks.nova.edu/tqr/>
- Thomas, D. R. (2017). Feedback from research participants: Are member checks useful in qualitative research? *Qualitative Research in Psychology, 14*, 23–41. doi:10.1080/14780887.2016.1219435
- Vaara, E., Sonenshein, S., & Boje, D. (2016). Narratives as sources of stability and change in organizations: Approaches and directions for future research. *Academy of Management Annals, 10*, 495–560. doi:10.5465/19416520.2016.1120963
- Verwaal, E. (2017). Global outsourcing, explorative innovation and firm financial performance: A knowledge-exchange based perspective. *Journal of World*

*Business*, 52(1), 17–27. doi:10.1016/j.jwb.2016.10.004

von Bary, B., & Westner, M. (2018). Information systems backsourcing: A literature review. *Journal of Information Technology Management*, 29(1), 62–78. Retrieved from <https://researchgate.net>

Wang, L., Zhang, C., & Jiang, F. (2019). Matching governance mechanisms with transaction-specific investment types and supplier roles: An empirical study of cross-border outsourcing relationships. *International Business Review*, 28, 316–327. doi:10.1016/j.ibusrev.2018.10.004

Wang, Y., Liu, Y., & Canel, C. (2018). Process coordination, project attributes and project performance in offshore-outsourced service projects. *International Journal of Project Management*, 36, 980–991. doi:10.1016/j.ijproman.2018.02.005

Warren, T. L. (2017). *Cross-cultural communication: Perspectives in theory and practice*. London, England: Routledge.

Wernefelt, B. (1984). A resource-based view of the firm. *Strategic Management Journal*, 5(2), 171–180. doi:10.1002/smj.4250050207

Williamson, O. E. (1979). Transaction-cost economics: The governance of contractual relations. *Journal of Law and Economics*, 22, 233–261. doi:10.1086/466942

Yap, C. S., Lim, Y. M., Jalaludin, F. W., & Lee, T. H. (2016). Determinants of ICT outsourcing among the locally-owned manufacturers in Malaysia. *Strategic Outsourcing: An International Journal*, 9, 324–342. doi:10.1108/SO-03-2016-0011

- Yang, Q., Zhao, X., Yeung, H. J., & Liu, Y. (2016). Improving logistics outsourcing performance through transactional and relational mechanisms under transaction uncertainties: Evidence from China. *International Journal of Project Management*, 175, 12–23. doi:10.1016/j.ijpe.2016.01.022
- Yin, R. K. (2018). *Case study research and applications: Design and methods*. Los Angeles, CA: Sage Publications.
- Zhang, Y., Ma, E., & Qu, H. (2018). Transaction cost and resources based views on hotels' outsourcing mechanism: An empirical study in China. *Journal of Hospitality Marketing & Management*, 27, 583–600.  
doi:10.1080/19368623.2018.1406834

### Appendix A: Interview Questions

What strategies did you use to monitor the outsourcing contracts?

How do you implement outsourced offshore operations?

What processes did you use to monitor the outsourcing contracts?

What unanticipated challenges did you encounter during the implementation phase of offshore outsourcing?

What challenges did you encounter after implementing offshore outsourcing?

How did you solve the problems that you encountered both during and after the implementation of offshore outsourcing?

What additional information would you like to add that I did not ask?

## Appendix B: Interview Protocol

I will use the following interview protocol:

I will introduce myself to the participant as a Walden University doctoral student and informed him or her of the time and the reason for the interview.

I will make available to the participant a copy of the consent form to read and sign. I will ask the participant to retain a copy after signing.

I will inform the participant of my audio recording of the interview.

I will ask the participant the following research questions:

What strategies and processes do business managers use to maintain their operation after implementing offshore outsourcing?

### Interview Questions

What strategies did you use to monitor the outsourcing contracts?

How do you implement outsourced offshore operations?

What processes did you use to monitor the outsourcing contracts?

What unanticipated challenges did you encounter during the implementation phase of offshore outsourcing?

What challenges did you encounter after implementing offshore outsourcing?

How did you solve the problems that you encountered both during and after the implementation of offshore outsourcing?

What additional information would you like to add that I did not ask?

5. I will thank the interviewee for participating, stop the audio recording, and conclude the interview.

### Appendix C: Email Invitation to Participate

Dear Prospective Participant,

My name is Idrissa Maiga Hamidou Issa, a doctoral student at Walden University. I am conducting interviews as part of a research study to explore strategies and processes that business managers use to maintain their organizations when using offshore outsourcing. I was guided and supervised Dr. Alex Lazo, my Chair, in completing this study. As a Walden DBA candidate, having completed the required training and been approved, I am eligible to conduct this study. You are being invited to take part in a study because you have experience with outsourcing. You are also being invited to potentially participate in the study because you have a minimum of six years in the role or industry. Also, your invitation requires that you are (a) over the age of 18, (b) not in a subordinate position to the researcher, and (c) not in receipt or promise there was any financial incentive for any participant as part of this study according to the IRB requirements. If you agree to be interviewed, the interviews will take roughly 30-60 minutes.

For the interviews, we can meet at a secure, private location where you would feel comfortable. Your responses to the questions was kept confidential. There is no compensation for participating in this study, and you can withdraw at any time. Your participation was a valuable addition to this research. If you are interested in participating, please let me know and I can tell you more about the interviewing process. If you have any questions, please do not hesitate to ask. Thank you for your time.

Sincerely,

Idrissa Maiga Hamidou Issa

---