

Introduction to the Outsourcing of Information Systems Minitrack

Benoit Aubert^{1 and 3}
benoit.aubert@hec.ca

¹ HEC Montréal
3000 Côte-Ste-Catherine Road
Montréal, Qc H3T 2A7 Canada

Wendy Currie²
Wendy.currie@brunel.ac.uk

² Centre for Strategic Info. Systems
Department of IS and Computing
Brunel University, Uxbridge, UK UB8 3PH

Suzanne Rivard^{1 and 3}
Suzanne.rivard@hec.ca

³ CIRANO
2020 University St., 25th floor
Montréal, Qc H3A 2A5 Canada

During the recent years, management concerns regarding the outsourcing of information systems services have become more complex. Companies are signing more outsourcing deals, and increasingly relying on more than one supplier for their services. This means that the management of the outsourcing relationships gains complexity as well.

Market observation suggests that the outsourcing market will continue its growth. Contracts are awarded continuously and research indicates that companies are expanding the range of IT services they outsource. Moreover, offshore outsourcing is gaining momentum and is raising several new issues for managers.

This year, three papers were accepted in the HICSS Outsourcing of information systems mini-track. Their quality reflects the maturity of the outsourcing research.

The first paper, *The Sourcing of eBusiness Projects: Recent Research*, is written by Robert Plant and Leslie Willcocks. The authors present the trade-offs organizations have to deal with when selecting any sourcing option. They clearly identify the various risks and potential advantages associated with each option. They also note that these choices are not definitive, as many would be inclined to think. As organizations learn more about governance issues, or as circumstances change, they can move from one mode of governance to another.

The second paper is presented by Matthew Swinarski, Rajiv Kishore, and H.Raghav Rao. They investigate the impact of partnership quality on the service received from the supplier (expressed as compliance with contractual obligations, cooperation with the client, and investment of additional resources in the relationship. Their paper, titled *“The Effects of Power and Partnership on Application Service Provider Commitment, Cooperation, and Compliance”*, uses social and relational exchange theory to provide insights on the outsourcing relationships.

The third paper, *“An Empirical Assessment of Transactional Risks of IT Outsourcing Arrangements”*, is written by Wonseok Oh and Mike Gallivan. They use an event study methodology to examine the risks involved in an outsourcing decision. Their results suggest that shareholders are able to assess contractual risk and can adjust share prices accordingly. Risky contracts, either involving high asset specificity or being very large, triggered negative market reactions. While academics often describe outsourcing as a risky venture, CEOs continue to view it favorably. The authors' results provide several elements to help reconcile these conflicting views.

These papers enhance our understanding of increasingly complex issues surrounding outsourcing decisions and relationship management.