Achieving Trust in IT Outsourcing Relationships

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Achieving Trust in IT Outsourcing Relationships
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2006-09-01
I hereby certify that all material in this dissertation which is not my own work has been identified and that no work is included for which a degree has already been conferred on me.

Signature: _______________________________________________
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Abstract

IT outsourcing is a hot topic in today’s demanding environment. Many organizations start to outsource information technology in order to achieve benefits such as cost reduction, improve quality of service, and focus on the core competence. However, IT outsourcing projects are not an easy task to manage and many projects fail even though there exists a lot of research within the area. In order to increase the possibility to achieve project success, today’s literature indicates that trust is an important factor to achieve. This thesis aim is to identify and describe the process of how to achieve trust in IT outsourcing relationships. The methodology is a literature study as its purpose is to cover the aspects of trust and how the literature proposes how to achieve trust in IT outsourcing relationships.

Relevant literature has been identified, analyzed, and categorized in order to define the thesis concepts and to create a framework based on critical success factors of how to achieve trust in IT outsourcing relationships. The framework can be used as a guiding principle of how organizations can achieve trust in IT outsourcing relationships to increases the possibility to achieve project success. The framework can also raise the awareness that makes it possible to deal with different IT outsourcing situations.

Keywords: IT outsourcing, Relationships, Achieve, Trust, Critical success factors, Framework.
To the ones who mean the most to me,
father Lennart, mother Agnetha, brother Mathias,
my partner Sofia and to my lovely cat Tiger.

A forever thanks to Dr. Eva Söderström for her support and
guidance that contributed to my M.Sc. degree.
The encouragement that you have given me is invaluable.

Last but not least, a huge thanks to my grandfather Bengt
who has inspired me to stay strong even in the worst situations.
His supervising has given me a helping hand through my M.Sc. year.
I hope he will be happy and grateful since I followed his footsteps.
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1 Introduction

This chapter states the problem area (section 1.1) and defines the thesis aim (section 1.2). Section 1.3 describes expected results while section 1.4 describes the thesis target groups. The thesis structure is shown in section 1.5.

1.1 Problem area

In the current dynamic and information technology (IT)-driven environment, organizations have to stay competitive through the use of new information technologies and tools. However, the development and maintenance of these new technologies are not an easy task. Organizations have to focus their efforts on what they do best, their core business. IT outsourcing has therefore become a viable option to hand over an IT-based service that would otherwise be an in-house service to an external provider (Gasco, Gonzalez & Llopis, 2005). Many organizations turn to IT outsourcing in order to achieve benefits as cost reduction, improved quality of service, higher external expertise, and risk reduction (Lei-da & Khali, 2002; Bahli & Rivard, 2005; Brandes, Brege & Lilliecreutz, 1997; Barthélemy, 2003; Kern, Lacity & Willcocks, 2000).

Even though organizations seek common benefits, there are always risks involved with an IT outsourcing project (Asif Pasha, 2005). Even if organizations are aware of “all” risks, they still cannot guarantee a successful project outcome. A risk analysis will definitely give the organization knowledge about common traps in an IT outsourcing project. In order to avoid these risks, organizations first need to understand common critical success factors (CSF) that have to be fulfilled in order to increase the possibility of success (Gasco, Gonzalez & Llopis, 2005; Brandes, Brege & Lilliecreutz, 1997).

In order to achieve benefits and raise the chance of success with an IT outsourcing project, our view is that organizations have to consider three areas: CSF, risks, and management. Figure 1 shows these areas, which are needed before launch and during an IT outsourcing project. Complementary, table 1 shows literature used to create figure 1.

Figure 1: Areas to consider when managing IT outsourcing
The area of CSF (A) needs to be considered in order to understand what the organization should strive for. These factors describe conditions that need to be met to increase the possibility for success in IT outsourcing projects (Aggestam & Söderström, 2005). The risk factors (B) are the opposite of the critical success factors. Risks show the pitfalls that the organization has to avoid in order to achieve its goals. Even if an organization knows its aims and risks, there has to be a process in place for how to achieve the aims. Management (C) is the process of planning, organizing, leading, coordinating and controlling the project towards the CSF (A) while avoiding risks (B).

Figure 1 also shows connections between the three areas. CSF indicates the important factors that must be considered in order to achieve success, risks shows the pitfalls that have to be avoided, and management deals with how to achieve CSF while avoiding risks. If one of the areas “fails”, the likelihood for project failure increases. The arrow in the model shows that the systems of the different areas affect the project outcome. Failure occurs when the project aims are not achieved, i.e. project expectations are not met or there is a divorce between the organization and the IT outsourcing provider. Success is achieved when project expectations are fulfilled.

<table>
<thead>
<tr>
<th>Area</th>
<th>Literature</th>
</tr>
</thead>
<tbody>
<tr>
<td>CSF (A)</td>
<td>Willcocks et.al, 1995; Brandes et.al, 1997; Elmuti &amp; Kathawala, 2000; Barthélémy, 2003; Fink &amp; Shoeb, 2003; Chiu et.al, 2004; Gasco et.al, 2005; Gottschalk &amp; Sollis-Saether, 2005; Hindle, 2005; Kadiyala &amp; Samaddar, 2005</td>
</tr>
<tr>
<td>Risks (B)</td>
<td>Kern et.al, 2000; Anderson et.al, 2005; Asif Pasha, 2005; Bahli &amp; Rivard, 2005; Tafti, 2005</td>
</tr>
<tr>
<td>Management (C)</td>
<td>Kadiyala &amp; Samaddar, 2005; Kakabadse &amp; Kakabadse, 2005; Hoecht &amp; Trott, 2006</td>
</tr>
</tbody>
</table>

Even though organizations are more or less aware of CSF and risk factors, projects still fail (Brandes, Brege & Lilliecreutz, 1997). According to Wechsler (2002) common factors for IT outsourcing failure are:

- Poor definition of the outsourced process
- Weak selection /vendor qualification process
- Unreasonable benefit expectations
- Poor communication
- Lack of control over relationship/defined responsibilities
Some of these factors are dependent upon the area of management: poor definition of outsourced process, poor communication and lack of control over relationship. According to Wikipedia (2006), management can be defined as:

“The art of conduct all part of an organization through the development and manipulation of resources.”

“The art of getting things done through people.”

The definitions show that management is when people are using resources in order to handle all parts of an organization. This thesis defines management as:

**The human art of development/manipulation of resources/information.**

As management is central to getting things done through people, the identified factors for IT outsourcing failure strengthen this research. There has to be a structure of how to manage relationships and trust between the organization and the IT outsourcing provider (see next section), or these factors will always be a major risk.

Barthélemy (2003) has done some work about managing hard and soft sides of IT outsourcing. While the hard side refers to the development and enforcement of a good contract, the soft side refers to the development of relationships based on trust. His results show that management of the soft side had an overall positive impact on the outcome of IT outsourcing. These identified factors are relevant for the research presented in this thesis because there has to be a structure of how to actually achieve trust. This thesis is thus focused on the soft side of IT outsourcing.

If an organization trusts the outsourcing provider, it is prepared to hand over more resources to the same (Langfield-Smith & Smith, 2003). But there is some hesitancy in the relation to the ownership of assets. How would the organization react if there were to be a divorce from the IT outsourcing provider? What happens to all the resources that the organization has handed over? What backup has the organization for situations like these? Such questions strengthen the position of how to build a good relationship based on trust (Langfield-Smith & Smith, 2003). According to Kadiyala and Samaddar (2005), IT outsourcing success is achieved by maximizing reliability and relationship. Their study focus on how to maximize flexibility and control, and their results drew attention to the importance of partnership quality and its influence on IT outsourcing success. The practice of contract relies on trust rather than the use to strictly follow a detailed written contract. The advent of globalization and offshore IT outsourcing calls for a deeper examination of the factors that influence IT outsourcing success. Exploring the effect of culture in a situation where the organization and the IT outsourcing provider are located in geographically and hence culturally different contexts is another direction for future research (Kadiyala & Samaddar, 2005; Langfield-Smith & Smith, 2003).
1 Introduction

1.2 Research aim
Based on the above discussion, the aim of this research is to identify and describe the process of how to achieve trust in IT outsourcing relationships. The scope of the aim is trust creation within relationships between the organization and the IT outsourcing provider from the planning phase until the project is finished. More precisely, this refers to when an IT outsourcing decision has been made until there is an agreement to finish the project, i.e. project success or failure. Chapter 3 describes and defines IT outsourcing, and chapter 4 defines relationships and trust.

1.3 Expected results
To facilitate the process of how to achieve trust in IT outsourcing relationships, a framework will be created. A framework is viewed to be in line with Aggestam and Söderström (2005) who say that a framework is “a suggested point of view for an attack on a scientific problem”. The framework will be based on critical success factors that will be identified from the research approach (see chapter 2) and describes how to achieve trust in IT outsourcing relationships. Critical success factors are defined as the conditions that need to be met to increase the possibility for success (Aggestam & Söderström, 2005).

The framework will be used as a guiding principle of how organizations can achieve trust. An organization that has decided to outsource its IT can use this framework to get an understanding of how to achieve trust, which increases the possibility for IT outsourcing success. The purpose is to get a general thinking that gives an understanding of how to achieve trust in a “theoretical” IT outsourcing relationship. This raises the awareness that will be used to suit the knowledge into a specific IT outsourcing project, which makes it possible to deal with different IT outsourcing situations, e.g. how to deal with cultural issues, conflicts between the two parts, and contract creation. The frameworks’ boundaries and its content are defined in chapter 6 and chapter 4 defines IT outsourcing relationships and trust. The expected results will be a framework that will help the intended audience (see next section) to get a higher awareness of how to achieve trust in IT outsourcing relationships. The awareness will increase the possibility to succeed with an IT outsourcing project.

1.4 Thesis target groups
The thesis aim is to identify and describe the process of how to achieve trust in IT outsourcing relationships. The expected result is to create a framework of critical success factors that are important for the process to achieve trust in IT outsourcing relationships. The framework will be used to raise the awareness of how to achieve trust in IT outsourcing relationships, which increases the possibility to increase project success. The intended audience can use the research contribution:

- Organizations can use the framework in order to increase the success of their IT outsourcing project.
1 Introduction

- Share the framework to other researchers. Together, our future work can strive towards a “total” IT outsourcing solution offering many benefits, including cost-effective processing, great communication and management.

The model described in figure 1 is important for this thesis. The three areas influence each other, critical success factors indicates the important factors that has to be achieved in order to success, risks shows the pitfalls that have to be avoided, and the area of management deals with how to achieve the critical success factors while avoiding risks. However, in order to achieve this thesis aim, the focus will lie within the area of management. The result will use the model as a platform as it will enlarge figure 1 under the area of management.

1.5 Thesis structure

This section gives an overview of the content of every chapter within this thesis.

Chapter 2 presents the research approach. It describes an overview for the decision taken in order to reach the aim of the thesis. Relevant and important phases that have to be fulfilled in order to reach the thesis aim are also described in this chapter.

Chapter 3 describes the concepts of IT outsourcing in order to understand the aim of this thesis and the area of interest. This chapter defines and describes how IT outsourcing and global IT outsourcing are used within this thesis.

Chapter 4 describes what trust in outsourcing relationships are and why it is important to understand. A definition of IT outsourcing relationships and trust is also given. The main purpose is to understand why trust is important to achieve within outsourcing relationships.

Chapter 5 shows related work for this thesis. This chapter shows research literature that are the foundation for the thesis and describes why the thesis aim is important to achieve. Some researchers have identified trust as an important factor in IT outsourcing relationships.

Chapter 6 presents the foundation for this thesis. The chapter presents the framework of trust and its underlying factors that are used in order to address the thesis aim.

Chapter 7 presents the thesis result. The chapter presents a framework including abstracted areas with its critical success factors that are important to understand in order to achieve trust in IT outsourcing relationships from a management perspective.

Chapter 8 describes the thesis conclusion, revisits the thesis aim and presents a critical review of the results and its contribution. The chapter also presents a suggestion for future work.
2 Research approach

This chapter describes and motivates the method used in this thesis (a literature study) in order to achieve the expected results. Section 2.1 describes the literature study approach. Section 2.2 shows a model of the research approach and how it has been adopted.

2.1 Literature study

The thesis aim can be addressed by two approaches: a theoretical or an empirical approach. A theoretical approach based on a literature study will use a more objective approach since an extensive amount of literature can be reviewed and generalized. An empirical approach based on an observation survey, e.g. interviews or questionnaire within a case or field study, would solve the thesis aim from a perhaps more “real life” perspective. However, the result could not be guaranteed as general to all organization that outsource IT, since an empirical approach is always based on some form of subjective interpretation valid inside the case or field study (Ackoff, 1999). To get an objective empirical approach, many case or field studies must be analysed. This approach requires a lot of time and is not viewed as suited for the time requirements for this thesis. A theoretical approach based on a literature study was hence chosen to address the thesis aim (see section 2.2), since an extensive literature review can create an ideal objective approach that can be generalized and be suited for organizations that outsource their IT.

According to Berndtsson et.al (2002) and Webster and Watson (2002), a review of relevant literature in the research area is essential when conducting any research. It creates a foundation and uncovers areas where research is needed. A literature study is a systematic approach that deals with analyzing previous published literature. A literature study therefore suits the thesis aim, because it is necessary to collect a great amount of facts and information in a relatively new problem area (Berndtsson et.al. 2002; Webster & Watson, 2002).

The literature that was examined comes from leading journals, conference proceedings, and books. Relevant literature was searched from research databases as Academic Search Elite, ACM Portal, Citeseer, Compendex, ScienceDirect, Emerald, Kluwer Online, Spring LINK, Wiley Interscience, arXiv, Cogprints, Caltech, and IEEE. These databases are a repository for literature that have been published in well-known international journals and conference proceedings. Using multiple search sources is important, as shown by the following quotation: “A complete review covers relevant literature on the topic and is not confined to one research methodology, one set of journals, or one geographical region” (Webster & Watson, 2002).

According to Webster and Watson (2002), it is good to organize the material in a matrix based on concepts when structuring a literature review. The research approach used a concept matrix (see sample in table 2) to compile and characterize the focused literature by identified key concepts. The complete concept matrix (see appendix A) presents the key concepts that have been identified from the focused literature study (see next section).
2 Research approach

Table 2: Sample concept matrix

<table>
<thead>
<tr>
<th>Articles</th>
<th>Concepts</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>IT Outsourcing</td>
</tr>
<tr>
<td></td>
<td>Global IT Outsourcing</td>
</tr>
<tr>
<td></td>
<td>Success</td>
</tr>
<tr>
<td>1</td>
<td>X</td>
</tr>
<tr>
<td>2</td>
<td>X</td>
</tr>
</tbody>
</table>

2.2 Research process

The aim of the thesis research is to identify and describe the process of how to achieve trust in IT outsourcing relationships. The research approach consists of four major phases: broad literature review, focused literature review, synthesis, and framework (see figure 2).

**Broad literature review:** The research approach started by a review of relevant literature in order to set the scope of the thesis. The main reason was to achieve a clarification of what characterizes a trusted IT outsourcing relationship. In the search for relevant literature, different keywords were used to achieve an extensive search via the online research databases. The following keywords were used in the extensive search: outsourcing in combination with IT, benefits, cultural, decision, failure, success, problem, costs, relationship, trust, risk, security, global, offshore, and quality. The result from the broad literature study was used to define the thesis concepts and created a foundation for the focused literature study.

**Focused literature review:** Using the results of the broad literature study, a more focused literature review was undertaken. Since the broad literature study focused on information in general, it was important to conduct a more focused review in order to
identify how trust is achieved in IT outsourcing relationships. Therefore, the purpose of the focused literature review was to identify relevant literature that involves details that support finding evidence that can address the thesis aim, to identify and describe the process of how to achieve trust in IT outsourcing relationships. This phase used an iterative process as it identified more knowledge that confirmed and created a richer foundation for the focused literature study. The iterative process ended when the relevant literature was reviewed. The search for literature was conducted using the same keywords via the online databases as in the broad literature study.

**Synthesis:** This phase consisted of fusing the results from the broad literature review and the focused literature review in order to abstract areas, to scope and generate a framework to be used to identifying critical success factors. A concept matrix (see appendix A) was used to characterize the focused reviewed literature by the identified concepts. When an article has been read, identified concepts have created the concept matrix. The purpose to characterize the articles by its concepts was to identify abstracted areas that cover all the identified concepts. These areas are used in the framework phase to identify critical success factors within the identified areas. The areas from the concept matrix are contract, culture, and security (see section 7.2-7.4).

The focused literature in appendix A did not use the same literature that have been reviewed in the broad literature study since literature that have been used to scope the thesis and characterize IT outsourcing relationships have already been interpreted, which could influence on the review to identify how trust is achieved. The purpose was to get an overall broad understanding, which scoped the thesis and characterized IT outsourcing relationships before the focused literature was reviewed.

**Framework:** The last phase consisted of using the identified areas contract, culture, and security that covered the concept matrix in order to identify and describe critical success factors on how to achieve trust in IT outsourcing relationships. As the areas have been identified, literature from the concept matrix was used to describe critical success factors within these areas. The intent was to describe the process of how to achieve trust in a culture that will influence on how to create and manage a contract, which affects and is affected of how to choose and use security issues in order to increase the possibility to achieve a successful IT outsourcing project (see section 7.1). As the areas affect each other the framework has to consider all identified critical success factors within the areas in order to solve the thesis aim of how to achieve trust in IT outsourcing relationships (see chapter 7).
3 IT outsourcing

This chapter presents IT outsourcing definitions identified from literature. As many authors use different definitions, this research uses different sources to state its own definition that is used throughout the thesis. Global IT outsourcing differs from “regular” IT outsourcing and is defined in section 3.2. The main motives for IT outsourcing are identified and described in section 3.3. Potential problems with IT outsourcing are described in section 3.4.

3.1 Definition of IT outsourcing

Since different authors have defined IT outsourcing in different ways, this section will firstly, describe and discuss various definitions, and secondly, use these definitions as a basis for how IT outsourcing will be defined in this thesis. The bolded words below are the identified keywords from the definitions, which are used for the general definition.

The following definitions are used in literature:

“Different value chain activities are carried out internally, are being replaced by the idea of a network organisation or even a virtual organisation, in which fewer and fewer operations are performed within the firm.” (Gasco, Gonzalez & Llopis, 2005)

This is a quite general definition of outsourcing. Activities that the organization is dealing with internally are handed over to a third party. Keywords: Outsourcing and internally.

“IT outsourcing means handling over the management of some or all of an organization’s information technology, information systems, and related services to a third party.” (Willcocks, Fitzgerald & Feeny, 1995)

This definition is more specific as it defines information technology outsourcing. It also specifies that management of some services is handed over to a third party. Keywords: IT outsourcing, services and third party.

“IT outsourcing is the practice of turning over all or part of an organization’s IT to an outside vendor.” (Barthélemy, 2003)

The definition is short and includes IT outsourcing as turning over a service to an outside vendor. Keywords: IT outsourcing, turn over and outside vendor.

“Global outsourcing is a management strategy by which an organization delegates major, non-core functions to specialized and efficient service providers.” (Elmuti & Kathawala, 2000)

This definition is specific as it uses the word global outsourcing that means handling over a service to a provider all over the world. Keywords: global outsourcing, functions and service provider.
3 IT outsourcing

“IT outsourcing is the act of subcontracting all or parts of the IT function to an external vendor.” (Fink & Shoeib, 2003)

This definition uses the word subcontracting instead of handling over a service to a provider. Keywords: subcontracting, parts and external vendor.

As different authors use different definitions, everything from a more general to a really specific perspective, this thesis defines its own definition suited for this research. The keywords from the definitions are considered and merged into a richer definition as follows:

**IT outsourcing is the process of handling over a service to an external provider that would otherwise be an in-house service.**

This definition uses the common internal meanings from the definitions identified from literature. All definitions are more or less about handing over a service to an external vendor that would otherwise be dealt with in-house. The main focus for this thesis is to identify relationship and trust between an organization and the outsourcing provider. Therefore, the general keyword of “IT outsourcing” will be used. The framework created in this thesis can be used within all organizations that are dealing with any form of IT outsourcing. IT is viewed to be the technology to create, store, and to use various information that supports a human purpose (Ackoff, 1999). IT outsourcing in this thesis is viewed to be an organized project, which is a process that is based upon a contract and in which the outsourcing provider aims to fulfill the requirements.

3.2 Global IT outsourcing

Global IT outsourcing has some differences compared to “regular” IT outsourcing (Nicholson & Sahay, 2001; Khalid, 2003). In the case of global IT outsourcing, the process is taken cared of a provider that is located in a foreign country and has no subject to tax laws. Another word for global IT outsourcing can be offshore IT outsourcing (Khalid, 2003).

Here are some definitions of global IT outsourcing that have been identified from literature:

“Foreign or offshore outsourcing is the sharing or transferring of responsibility for some or all IS services to a third-party vendor who operates from a foreign country.” (Narender & Parzinger, 1997)

“Global outsourcing involves assignment of tasks related to developing and/or maintaining applications to one or more providers overseas.” (Tafti, 2005)

These definitions describe that global IT outsourcing is when services are handed over to a third-party that operates in a foreign country. The main difference to the “regular” IT outsourcing definition is that global IT outsourcing is dealing with a third-part from a foreign country. This thesis defines global IT outsourcing as:
Global IT outsourcing is the process of handling over a service to an external provider located in a foreign country that would otherwise be an in-house service.

Why do organizations want to outsource globally? The primary reasons for global IT outsourcing is that organizations can receive inexpensive, college-educated resources in many relatively low-wage countries (Khalid, 2003; Hemphill, 2004; Gasco et.al, 2005). Organizations can locate places where production is cheaper and with performance improvement at a lower cost (Elmuti & Kathawala, 2000; Gonzalez et al, 2005). Organizations that seek cost reduction benefits can use this global outsourcing approach. Hemphill (2004) describes an example: in India, there are 520,000 IT engineers and China graduates 70,000 mechanical engineers every year. Global IT services can reduce the organizations IT costs from 30 to 60 percent (i.e. of course dependent of the size of the organization and the amount of services involved). However, there are other advantages than cost savings with global IT outsourcing. The international strategy can achieve their aims by expanding the organization by relying on a global IT outsourcing partner. This approach broadens the infrastructure to foreign countries and can become a natural way to expand the size of the organization (Elmuti & Kathawala, 2000; Hemphill, 2004).

It is important to separate global IT outsourcing from “regular” IT outsourcing because its complications that have to be considered (Krishna, Sahay & Walsham, 2004; Sakthivel, 2005). According to Sakthivel (2005) successful problem solving requires that the development team have a common understanding of the work. Mutual respect and emotional closeness that support free expression and discussion must be fulfilled in order to achieve a common understanding. This is an important part of how to achieve trust (Sakthivel, 2005). Regular IT outsourcing is when an organization and an IT outsourcing provider are located in the same country and they share the same first language. However, global IT outsourcing deals with providers located in a foreign country and often speaks a foreign language. This complicates the mutual interpretations of ideas and can affect the emotional closeness between the organization and the outsourcing provider (Krishna, Sahay & Walsham, 2004). The cultural issues can sometimes be hard to deal with and that has to be in mind when dealing with global IT outsourcing (Krishna, Sahay & Walsham, 2004).

According to Sakthivel (2005), IT outsourcing and global IT outsourcing project are dealing more or less with virtual workgroups. Managing a global virtual team is more complex than managing a local virtual team (Sakthivel, 2005). Virtual teams consist of workers who are located in different geographical places, working interdependent with shared purposes across space, time and organizational boundaries and using communication technologies to collaborate. Virtual workers have to rely on each other in order to complete their tasks even though they have to deal with time pressures and loss of control. This is typically a scenario that IT outsourcing projects have to deal with, especially global IT outsourcing projects. If the organization and the IT outsourcing provider are ambiguous about the goals and objectives, task and process conflicts are created and affect the work performance negatively. Trust, work independence, and a sense of belongings are vital when virtual teams are aiming for success (Sakthivel, 2005).
To summarize section 3.2, IT outsourcing projects have to be aware of the complications that might appear between the organization and the IT outsourcing provider. Especially when dealing with global IT outsourcing projects, complications such as cultural issues can decrease the performance of the project. These considerations have to be dealt with in order to avoid project failure. The research approach in this thesis will deal with these issues when identifying and describing the process of how to achieve trust in IT outsourcing relationships, including global IT outsourcing.

### 3.3 Motivations for IT outsourcing

In this section, the focus is on why an organization wants to outsource, and it describes different motivational factors identified in literature. Of course, there are other benefits with IT outsourcing, but the ones mentioned here are considered to be the major ones.

#### 3.3.1 Cost reduction

In order to stay competitive on the market, organizations have to reduce their costs (Embleton & Wright, 1998; Lei-da & Khali, 2002; Gottschalk & Solli-Saether, 2005). One major motivation for IT outsourcing is to hand over a service to a provider that can do the same efforts for a lower cost (Lei-da & Khali, 2002). Development and maintenance of IT is costly and time consuming (Fulford & Love, 2004). Many organizations are therefore outsourcing to countries with lower labour costs and tax stimulus, and where the provider still can achieve the same level of service (Khalid, 2003; Tafti, 2005). Here are some cost reduction factors that Kakabadse and Kakabadse (2005) have identified:

- **Lower inventory cost**: Managers wants to outsource parts of their organization in order to lower inventory costs. High stock levels cost money to manage and if someone else can do this, high cost reductions might be achieved.

- **Reduce management time**: In some situations management time can be high when creating or maintaining services. Other providers might do the work faster and can therefore offer a lower price.

- **Improve production flow**: Even though the organization has a great product or service, there might be complications when manufacturing it. Struggles take time and costs money. Outsourcing may be a solution if a provider can do the same effort with the same quality and during a shorter time.

There are of course more important factors, thus the identified factors are relatively general and cover a large area of why organizations want to IT outsource in order to reduce costs.

#### 3.3.2 Improved quality of service

Organizations of today are always seeking high quality of their services. Performance and measurement of the service quality are important to stay competitive on the IT market (Beije, Mol, & van Tulder, 2005). Bad performance and quality will affect the
3 IT outsourcing

image of an organization negatively. If the organization is missing vital resources that can improve the quality of service, IT outsourcing may be a good alternative to get the resources needed (Beije, Mol & van Tulder, 2005). Organizations may want to outsource some services in order to achieve a better quality (Ying, 2000). Sometimes the competence is not obtained inside the organization and another provider can offer that competence for a cost.

3.3.3 Focus on core competence

In a global world with rapid changes, an organization is faced with a greater demand to adjust to the world around (Van Gigch, 1991). Customers are always increasing their demands, which forces the organizations into a more service-oriented position. This means that organizations must focus on their core competences and IT outsourcing is one solution to buy products and services from outside of the company (Quinn & Hilmer, 1994; Embleton & Wright, 1998; Khalid, 2003; Kakabadse & Kakabadse, 2005). Ying (2000) has identified some factors that shows why organizations want to focus on their core competences:

- **Improve organizational focus**: In order to focus on core competence organizations can outsource parts that are not core services. If managers do not have to care about non-core services, a higher focus on core services might be achieved.

- **Increase flexibility and facilitate change**: If the organization is outsourcing services that are non-core, managers will become more flexible and can adapt to new opportunities that might help the organization to stay more competitive on the market.

Organizations can strive to improve their core competence that might give them a stronger situation to compete on the market. However, there are of course more factors, thus the identified factors are relatively general.

3.4 Potential problems with IT outsourcing

This section focuses on some of the common problems that may occur in an IT outsourcing project. There are other problems with IT outsourcing, but these mentioned here are considered to be the major ones. Sometimes, IT outsourcing may not be the preferred choice. This thesis is not concerning with whether or not a service should be outsourced. The purpose with this section is to be aware of problems that the organization has to avoid.

IT outsourcing requires a strategic decision that concerns services for an organization (Bryson & Ngwenyama, 1999). As firms wants to stay competitive, managers are restructuring their organizations and IT outsourcing may be one solution to achieving this. However, some parts of an organization should not be outsourced. According to Godwin (2000), IT outsourcing can classify organizations IT functions into two categories, commodity and strategic services. Godwin argues that commodity services can be outsourced while strategic services should stay in-house. Kakabadse and Kakabadse (2005) are in line with Godwin in that core services should stay in-house while non-core services should be outsourced.
3 IT outsourcing

Godwin (2000) has identified several disadvantages with IT outsourcing that has to be considered when the organization has to decide whether or not to outsource certain services:

- The “chemistry” may be lacking between the organization and the outsourcing vendor.
- It may be scary to depend on a third party when the organization has handed over critical information.
- The organization may let loose capabilities that could be important.
- Outsourcing can lead to loss of flexibility.
- The organization may lose competitive advantages in information management.
- Employees may feel a decline in morale and performance.
- Long-term cost savings are not guaranteed.

Firms pay great attention to their strategic IT because such IT can make great importance for the organization success. It would be a serious mistake for an organization if they outsource their strategic IT because once the system is outsourced, it fails to play a strategic role and the organization strategy is in the hand of the outsourcing provider (Godwin, 2000).

Even though it is hard to decide whether or not to outsource certain services, this thesis is not focusing on facilitating the outsourcing decision. Instead, it is focused on how to create trust within IT outsourcing relationships when the organization already has decided to outsource certain services. The organization may use this thesis contribution in order to choose a suitable IT outsourcing provider and get an understanding on how to deal with different situations on how to achieve a trusted relationship.
4 Relationship and trust

In a highly competitive and rapidly changing environment, time constraints, effective leadership, and high quality of services are some constraints that organizations have to deal with and maintain to compete successfully (Langfield-Smith & Smith, 2003; Gottschalk & Karlsen, 2005). IT services in all organizations will face new challenges in this rapidly changing environment and IT projects require harder deadlines and the knowledge to adopt to these changes. To stay competitive, it is important to share knowledge with other organizations. Knowledge management goes beyond organizational boundaries, and IT outsourcing has therefore become a natural choice to meet the demands from the environment (Langfield-Smith & Smith, 2003; Sauvage, 2003; Gottschalk & Karlsen, 2005).

According to Kern and Willcocks (2000), sharing knowledge with other organizations requires relationships. IT outsourcing relationships between the “purchasing” organization and the IT outsourcing provider are often based upon contracts. In practice, this requires that both sides integrate and share the same interests in achieving the IT outsourcing aims and requirements. To achieve a win-win situation, both sides have to create a close relationship that operates within the “spirit of the contract” (Kern & Willcocks, 2000). Understanding the relationships in an IT outsourcing project is very important, since creation of relationships is the outcome of the contract and a natural consequence of social exchange. This is the motivation for the aim in this thesis, to identify and describe the process of how to achieve trust in IT outsourcing relationships. The contract builds a foundation that regulates the venture of the IT outsourcing project (Kern, 1997; Kern & Willcocks, 2000).

4.1 IT outsourcing relationships

Kern and Willcocks (2000) have integrated theoretical concepts from organization theory, social exchange theory, and relational contract theory to develop a conceptual model for understanding the properties in IT outsourcing relationships conceptually and empirically. Their framework will be used in this thesis to define what an IT outsourcing relationships is based on and as a foundation when defining a trusted relationship. Their framework is based upon two theories, social exchange and social contract:

- **Social exchange theory**: The underlying concepts of IT outsourcing is to hand over services through interactions between the organization and the IT outsourcing provider. Kern and Willcocks (2000) defines social exchange theory:

  “Voluntary transactions involving transfer of resources between two or more individuals, i.e. actors for mutual benefit” (Kern & Willcocks, 2000).

  Exchange focus on the social process of “give-and-take”, and is the knowledge of the behavior of each actor contributing in the exchange (Kern & Willcocks, 2000).

- **Social contract theory**: According to Kern and Willcocks (2000), contract evolves four principles, specialization of labour, exchange, choice, and
4 Relationship and trust

... awareness of the future. With the specialization of labour, organizations do not produce everything they need in order to thrive, instead they have become dependent on exchanges with other services. A free level of choice has been extended through the possibility to choose other service providers. However, a contract defines these exchanges that determines an awareness of the future (Kern & Willcocks, 2000). Figure 3 shows a version in line with Kern and Willcocks’ (2000) model of an IT outsourcing relationship.

![Image of IT Outsourcing relationships model](after Kern & Willcocks, 2000, pp. 329)

The model addresses the IT outsourcing relationships properties, identified as contract, context, behavioural, and interactions dimensions (Kern & Willcocks, 2000).

- **Context and contract:** The IT outsourcing relationships depend much upon the context that considers specific objectives and expectations (e.g. financial, technical, and political issues), which in turn are structured in the contract.

- **Behavioural dimensions:** Characterized by commitment and trust, satisfaction and expectations, co-operation and conflict, and power and dependency. These can occur simultaneously over time in the relationships and may also arise in problem situations. Commitment leads to trust, and trust leads to commitment, and they together indicate that the organization and the IT outsourcing provider are serious about achieving success.
• **Interactions:** The interactions between the organization and the IT outsourcing provider can be characterized by timeliness, value, regularity, quality, and content. Regularity of exchanges can begin the change of the relationships between the organization and the IT outsourcing provider, i.e. from a creation of a contract to cooperation. Early adoption of the contract requires good communication. Exchange of information help both parts to achieve expectations and satisfaction, avoid conflicts, simplify solutions to problems, reduce uncertainty, and ensure flexibility.

The model shows that IT outsourcing relationships is based upon a context that is structured in a contract. The one and two-way arrows show the different interactions between the organization and the outsourcing provider. The timeline indicates that the development process of relations is based upon an uninterrupted time.

To summarize section 4.1, this thesis is in line with Kern and Willcocks (2000) model and IT outsourcing relationships are defined as figure 3. The definition will be used as a foundation when defining a trusted relationship (see next section).

### 4.2 Trust in IT outsourcing

According to Klimoski and Webber (2004), relationship management is important for project performance that consists of expectations and accomplishments that extends over time to meet the needs of the third party. In order to achieve the expectations and accomplishments, the organization must trust the third part. According to Ibott and O’Keefe (2004), trust is hard to define because it varies from one context to another. Trust can be perceived as the results of cognitive processes, decision-making concerning economics, and social relationships (Ibott & O’Keefe, 2004). The cognitive aspect of trust is that it represents an individual’s expectations about the outcome of an event. Economic decision-making theory of trust is that the organization should trust the decision about IT outsourcing services in order to achieve benefits as cost reduction, improved quality, or focus on core competence. If the organization is not certain about the decision, the employees may feel a loss of trust to the IT outsourcing provider. Social aspects of trust are when trust arises when people share common values within a group. These groups have a strong influence on each other beliefs and their evaluation of work (Ibott & O’Keefe, 2004). According to Kern and Willcocks (2000), trust is the belief that a promise is reliable and that it will be fulfilled as said in the agreement. Satisfaction in the IT outsourcing relationship will increase when the expectations are fulfilled. Below are some definitions of trust. The bolded words are the identified keywords from the definitions, which will be used to create the definition of trust to be used in this thesis.

According to Sabherwal (1999), a view to define trust can be:

“A state involving confident positive expectations about another’s motives with respect to oneself in situations entailing risks” (Sabherwal, 1999)

The definition above says that trust involves achieving **positive expectations** while **avoiding risks**. Combined with behavior, trust can be defined as:
4 Relationship and trust

“Confidence that the behavior of another will conform to one’s expectations and in the goodwill of another” (Sabherwal, 1999)

The definition shows that trust is achieved when a behavioral goodwill is used to meet the expectations. According to Wikipedia (2006), trust is defined as:

“Firm reliance on the integrity, ability, or character of a person or thing”

"To have or place confidence in; depend on”

"To expect with assurance; assume: I trust that you will be on time”

"To believe: I trust what you say.”

Here are words as reliance, confidence, assurance, and person combined to define trust. According to Kern and Willcocks (2000), trust in IT outsourcing relationships is:

“Trust is the belief that a party’s word is reliable and that it will fulfill its obligation as stipulated in the agreement, by acting predictably and fairly” (Kern & Willcocks, 2000)

Trust is achieved when an agreement is reliable and its expectations are fulfilled in a fairly way. To define trust, as it will be used in this thesis, the keywords from the definitions are considered and merged into a richer definition as follows:

Trust is achieved when the agreement is reliable and expectations are fulfilled in a behavioral goodwill.

An agreement is reliable when it is worthy of being dependent on and its expectations are viewed to be achievable in a predictable and fairly way. A behavioral goodwill can be viewed as an attitude of kindness or friendliness between two parts.

To summarize section 4.2, a high level of trust is required for IT outsourcing relationships. Trust used in this thesis is when the organization has achieved a reliable relationship with the outsourcing provider such that both parts are able to achieve the aims and avoid the risks within the IT outsourcing project. The organization must be able to place confidence, expect with assurance, agree to the contract, and act predictably and fairly in order to obtain trust in IT outsourcing relationships.
5 Related work

In this section, related work is described. The important aspect is to give the intended audience the understanding of the work of other researchers, and why this thesis is important.

The model in figure 4 shows other researchers work within IT outsourcing. This figure is developed from figure 1 and is used to show what other researchers have done within the areas of critical success factors, risks, and management. Figure 4 is a combination of figure 1 and the references in table 1. Most identified research has been identified within the areas of critical success factors and risks. According to Kadiyala and Samaddar (2005) their research found that relationship and trust are important in order to achieve IT outsourcing success rather than control and flexibility. Their discover are therefore a critical success factor that shows that an IT outsourcing project has to achieve a good trustful relationship but they do not state how to actually achieve trust (Kadiyala & Samaddar, 2005).

![Figure 4: Areas to consider when managing IT outsourcing and its references](image)

Barthélemy (2003) is talking about hard and soft sides of IT outsourcing. While the hard side refers to the development of a good contract, the soft side refers to the development of relationship based on trust. Barthélemy’s research was to see the outcome of IT outsourcing efforts according to different type of management: hard side only, soft side only, hard and soft sides, and neither hard side nor soft side. The result shows that it is important to manage the soft side, i.e. achieve relationship and trust (Barthélemy, 2003). However, the result does not show how to achieve trust, only that trust is important to achieve.
Other researchers who have discovered the relationship and trust as important for IT outsourcing success are: Willcocks et al, 1995; Brandes et al, 1997; Elmuti, Kathawala, 2000; Barthélemy, 2003; Fink & Shoeib, 2003; Chiu et al, 2004; Gasco et al, 2005; Gottschalk & Solli-Saether, 2005; Hindle, 2005, and Kadiyala & Samaddar, 2005. They have more or less described that an IT outsourcing project has to achieve a good relationship based on trust in order to increase the success outcome. However, none of them actually describes how an organization can achieve a good trustful relationship. Of course, all IT outsourcing projects will deal with different providers and situations that require different approaches of how to achieve trust. Therefore, there has to be guiding principles that an organization can use to get an overall knowledge of how to deal and adopt with different IT outsourcing projects. The researchers’ show that trust is important to achieve, but they do not address how trust actually can be achieved. This is the main difference to this thesis, which aims to identify and describe the process of how to achieve trust in IT outsourcing relationships. Kadiyala and Samaddar (2005) mean that management of cultural issues is important when building a trusted relationship.

In the area of risks (see figure 4) researchers have identified different risks that an IT outsourcing project has to be aware of (Kern et al, 2000; Anderson et al, 2005; Asif Pasha, 2005; Bahli & Rivard, 2005; Tafti, 2005). IT outsourcing consists of risks and sometimes projects has to deal with undesirable consequences that are the opposite of the critical success factors that they are aiming towards. Many risks are hence often overlooked. These risks have to be managed and properly assessed in order to have a possibility for a successful project outcome. The combination of the references has contributed to a repository of risk factors that are considered as complications within IT outsourcing projects. However, these risk states only that an organization has to avoid them, not how they actually could avoid risks (Kern et al, 2000; Anderson et al, 2005; Asif Pasha, 2005; Bahli & Rivard, 2005; Tafti, 2005). The identified risks from literature show that trust is important to achieve in order to stay away from specific risks.

Management in figure 4 is central to this thesis. The purpose with the management area is to guide the way for an IT outsourcing project towards the critical success factors without falling for the risks. It deals with knowledge that can be dealt with in different situations, i.e. cultural issues require different solutions in order to achieve a trusted relationship. Knowledge under the management area shows guiding principles that the organization has to be aware of in order to be prepared for their specific IT outsourcing situations.

Kadiyala and Samaddar (2005) tested one framework of technology outsourcing by changing the cultural context. Their goal was to extend the understanding of technology outsourcing research conducted in Korea, through replication. The two cultures differed in their way of decision-making and the research results show that IT outsourcing success is achieved by maximizing reliability and relationships (Kadiyala & Samaddar, 2005). However, their contribution does not show how to achieve trust in IT outsourcing relationships.

Kakabadse and Kakabadse (2005), have conducted research in order to capture the nature of trends in IT outsourcing, and attention was given to examine the reasons for IT outsourcing, the functions outsourced, arrangements, and the impact of IT outsourcing on employees. Their result indicates that partnership and performance-
driven contract are important for IT outsourcing success. It is concluded that organizations are focusing more on core competence and it also forecasts that partnership arrangements will become more popular in order to effectively achieve the benefits with IT outsourcing (Kakabadse & Kakabadse, 2005). Their contribution indicates that trust is involved in partnership arrangements.

According to Hoecht and Trott (2006), level of mutual commitment, contract negotiations (9-12 months) and detailed rules are some issues that later can become problematic as organizational requirements tend to change even before the contract is signed. To achieve requirements in the contract, a fair amount of trust is required. The organization must at least trust the IT outsourcing provider’s competence and willingness to keep the contract requirements. Rather than chasing moving targets with closer nets, a trusted management approach is needed. Such an approach must be implemented before trust has been lost (Hoecht & Trott, 2006).

To summarize chapter 6, many researchers have identified trust as a critical success factors within IT outsourcing relationships, which is important in order to increase the success outcome. These critical success factors can be viewed as aims that the project has to achieve in order to call their outcome for a success; otherwise the project is a failure. The area of risks is more or less the opposite of the critical success factors. If the organization is not achieving trust within IT outsourcing relationships, the organization has fallen for a risk and the projects success outcome has decreased. Researchers have also done some work within the area of management. This area consists of knowledge that describes how to manage and deal with an IT outsourcing project in order to achieve the aims without fall for the risks. The literature is used in order to strengthen this thesis research, to identify and describe the process of how to achieve trust in IT outsourcing relationships.
6 Thesis foundation

This chapter presents the foundation for this thesis. This means that the thesis will use the framework of trust adapted by Dahanayaka et.al (2001) (see figure 6) in order to scope trust and its underlying factors that will be used in order to identify and describe the process of how to achieve trust in IT outsourcing relationships.

Dahanayaka et.al (2001), have defined a framework for understanding information system development. The purpose with their framework is to have a consistent, systematic, and integrated component-based development methodology support throughout the lifecycle. Information systems development is a complex process that requires a solid foundation as guidance. The framework is based on necessary concepts for a successful system development process. Figure 5 shows Dahanayaka et.al’s (2001) framework.

![Figure 5: Framework for information system development (after Dahanayaka, et.al’s, 2001, pp. 6)](image)

The framework for information system development shows that the way of thinking and the way of supporting influences the way of modelling, way of controlling, and way of working. The way of thinking visualizes essential ideas of the information system development method without knowing the environmental role and functions of the information system. The way of supporting represents the resources that support the information system development process. The way of modelling is the tool to structure and distinguish the types of tasks that are required in order to solve a specific problem. The way of controlling represents the directives and guidelines in order to manage the information system development process, e.g. handle time issues, means, and quality aspects. The way of working is the means to structure and distinguish between the types of tasks that have to be dealt with for the information systems development process.

The framework for this thesis is based upon the ideas of Dahanayaka et.al (2001), but is redesigned to fit the process of how to achieve trust in IT outsourcing relationships (see figure 6). The difference between the two frameworks is that a way of supporting and a way of modelling are removed from our framework, because Dahanayaka et.al (2001) uses a way of supporting that is a set of resources that supports and are used in the development process of the information system lifecycle. This is not appropriate in our case, since this thesis is not concerning an information system lifecycle. A way of modelling is removed since Dahanayaka et.al (2001) use it as a tool that
distinguishes the types of tasks that are required to solve a specific problem. This thesis does not take consideration to tools or resources needed to achieve trust, but the framework pays attention to important aspects of the process of how to achieve trust in IT outsourcing relationships:

- **Way of thinking**: Deals with the role of IT outsourcing and its purposes. Visualizes the philosophy of how to achieve trust in IT outsourcing relationships.

- **Way of controlling**: Deals with how to manage the process of how to achieve trust in IT outsourcing relationships. Different situations require different solutions.

- **Way of working**: A means for structuring problems that arise in the process. Distinguishes between which types of tasks that should be dealt with in a certain order. Also what means that are suited to solve a certain situation.

The framework in this thesis is defined as a structure consisting of critical success factors that are necessary to be aware of in order to achieve trust in IT outsourcing relationships. Figure 6 shows the way of thinking that influences how the organization are controlling and working in order to achieve trust in IT outsourcing relationships. The arrows between the way of controlling and way of working mean that they determine each other. One change in the way of controlling may require a different way of working and vice versa. The critical success factors are created upon the way of controlling, and the way of working. In order to achieve trust in IT outsourcing relationships, the organization has to be aware of how to control the IT outsourcing project in different situations and how to actually work to achieve trust. Different situations will require different solutions.
7 Results

This chapter presents the thesis result. The framework is based upon the critical success factors that have been created from an extensive literature study, based on a broad and focused approach. A concept matrix, described in section 2.1, has categorized the focused literature. The resulting matrix shows a pattern of concepts that has been used to identify the areas of critical success factors, which are first introduced in section 7.1. The critical success factors have been identified within these areas and are described in section 7.2-7.4.

7.1 Introducing the concept areas

From the concept matrix (see appendix A) different concepts have been identified from the reviewed literature. These concepts have been used and grouped into more abstract areas. The purpose with the abstract areas was to cover all the identified literature concepts in the matrix. The three identified areas are contract, culture, and security.

- Literature with concepts such as cultural issues, political issues, contract management, global IT outsourcing, organizational management, and critical success factors have indicated that there has to be some form of contractual issues to deal with. The abstraction of these concepts has created the area of contract. Literature within this area describes more or less how to create and manage an IT outsourcing contract.

- In order to achieve trust in IT outsourcing relationships, the organization must understand the culture. These concepts have therefore identified the area of culture. This literature indicates how the organization can create a contract and how to manage the IT outsourcing project in different cultures. This strengthens that the created areas are suitable and cover literature in the focused study.

- Some literature have identified security as important. In order to achieve trust, the organization has to be aware of security issues that need to be managed in the IT outsourcing project. Information security indicates that the organization has to trust the IT outsourcing provider in order to hand over sensitive information. Concepts from the focused literature study have created the area of security.

Appendix B shows the identified areas with its concepts and references. The three areas affect each other. The culture will influence how to create and manage the contract, how to choose and use security issues in order to increase the possibility to achieve success in IT outsourcing relationships. Requirements in the contract will affect the choice and usage of security issues and vice versa that together affect how to manage the project. Figure 7 shows a model of how the areas influence each other. The model also shows the areas from figure 1.
7 Results

Figure 7: Identified areas and their affects.

This thesis is focused on the management part and figure 7 shows that the area of contract, culture, and security are a part under the area of management. However, the result in this thesis will create a framework based on critical success factors and can therefore be viewed to fall under the area of critical success factors; still they are generated from a management perspective.

In section 7.2-7.4, bold words are taken from the focused literature study and represent keywords in critical success factors within the areas of contract, culture, and security.

7.2 Contract

This section shows the critical success factors within the area of contract. This section describes how to achieve trust when creating and managing the contract between the organization and the IT outsourcing provider. The layout for this section starts by describing the written and mutual contract followed by the contract duration and how to minimize uncertainty.

7.2.1 Written and mutual contract

The contract is a very important area in order to achieve trust between the organization and the outsourcing provider. The contract states all the requirements that have to be fulfilled in order to achieve project success (Lee, 1996; Gottschalk & Solli-Saether, 2005). According to Gottschalk and Solli-Saether (2005), an IT outsourcing contract provides a framework that specifies each party’s responsibilities and their goals. A contract reduces the uncertainty faced by the organizational and the risks involved (Burley & Scheepers, 2004).

According to Currie and Willcocks (1998) and Lee (1996), a tight contract (well specified details) is a must to ensure that expectations are met, while a loose contract increases the risk of disaster. Hackney & Hancox (2000) state that relationships with loose contracts are more likely to fail and 80% of clients wished that they had more tightly defined contracts. The written IT outsourcing contract is the most important tool for defining work, liability, price and expectations from both parties that guides their behaviour of how to manage the contract (Dames & Wittgreffe 2005; Hackney & Hancox, 2000). According to Barthélémy and Geyer (2005), a contract is also an
important safeguard to protect against loss of control. According to Lee (1996, pp. 16): “A contract often includes agreements such as service level, transfer of assets, staffing, pricing and payment, warranty and liability, dispute resolution mechanism, termination, intellectual property matters, and information security”. The service level agreements describe the scope of all the outsourced services, the time that tells the deadline when the services should be available, and the level of performance. In order to achieve trust in IT outsourcing contracts, the service level should include the option to measure the IT outsourcing provider’s contract performance through regular meetings and reports. However, these characteristics are often defined in a written contract. There also exists some form of mutual expectations on top of the written contract. According to Ang, Koh and Tay (1999) and Dibbern et.al (2004), a psychological contract refers to the mental beliefs and expectations that have to be fulfilled in order to meet the contractual requirements. It concerns more or less how the perspective of trust is viewed between the organization and the IT outsourcing provider. If a breach occurs in the psychological contract, trust will decrease, since trust is achieved only when the mutual expectations are fulfilled. Ang, Koh and Tay, (1999), states that “the degree of fulfillment of obligations differentiate successful from unsuccessful projects”. In order to increase the perspective of trust, both written and mutual expectations of the contract have to be fulfilled.

To fulfill the contract, the expectations on the IT outsourcing provider to estimate the project scope in detail and be aware of the environmental changes, identify the roles and its responsibilities must be accurate and serve its purpose to increase the possibility to achieve the contractual requirements (Ang, Koh & Tay, 1999; Nahar et.al. 2005). According to Alshawaf and Khalfan (2003), environmental changes are the changes that affect the organization that create threats as well as opportunities and are usually out of management control, i.e. governmental policies. Once the organization has decided to outsource, they should take action to select the IT outsourcing vendor (Ashraf & Dieter, 2003). There are different criteria’s in order to choose a potential provider. The organization should evaluate the characteristics of financial stability; knowledge-support to meet the organizational criteria, and the fairness of pricing the work. The organization must be able to manage the IT outsourcing contract. The IT outsourcing provider must be able to arrive at a suitable agreement, including setting up reasonable requirements and negotiate about the price. The contract must be perceived as fair from both the organization and the IT outsourcing provider in order to achieve trust (Justin & Webb, 2005). The contract period must be stated in order to clarify when the requirements must be fulfilled (Ashraf & Dieter, 2003; Díaz & Rodríguez, 2004).

7.2.2 Contract duration

Duration indicates the length of the contract. According to Cullen, Seddon and Willcocks (2005), contract duration has three basic configurations: single term, evergreen, and rollover.

- Single term contracts have a fixed duration that expires on a specific date and do not support an extension.
- Evergreen is less common and has no expiry and continues until both parts are satisfied.
7 Results

- Rollover contracts uses a fixed initial date and supports an extension option.

There are some conflicts between short and long term contracts. Cullen et.al believes that the uncertainty in IT outsourcing precludes having a long-term contract. However, a long-term contract enables the employees to learn about the organization and for the IT outsourcing provider to create mutual trust. According to Dibbern et.al (2004), long-term contracts helps to stabilize the business and making planning more predictable while the organization comfort levels increase. However, a short-term contract may decrease the uncertainty and increase the project success outcome. Of course, the duration of the contract depends on which services and requirements that must be achieved.

To achieve trust when creating a contract, a short as possible contract using a single term or rollover approach should be used. It all depends on the situation and the size of the outsourced services. Rollover can be used for security reasons if the IT outsourcing provider does not manage to achieve the requirements in time. These characteristics have been identified as important because a high flexibility (long-term contract) can give the opportunity for the IT outsourcing provider to change the requirements. A low flexibility (short-term contract) requires a higher focus on to actually achieve the requirements in time. Flexibility is a form of expectation that lets the parties make changes and adapt to changed circumstances. It is wise to use a strategic focus rather than being drawn into fire-fighting and focusing only on the shorter terms (Burley & Scheepers, 2004; Feeny et.al 2006). Therefore from a trust perspective it is wise to use a short as possible contract in order to achieve a higher focus without falling into fire-fighting.

7.2.3 Minimize uncertainty

According to Chin and Goles (2005), there must exist some form of flexibility because of the uncertainty involved in IT outsourcing. A rollover option might be used in the contract to give some flexibility and still achieve the requirements (Chin & Goles, 2005; Currie & Willcocks 1998; Cullen, Seddon & Willcocks, 2005).

According to Hackney and Hancox (2000) and Huynh et.al (2003), a contract must be used in order to avoid risks when dealing with an IT outsourcing partner. The principle is to place the risk via an outcome-based contract, because the rewards for both partners depend on the same actions. According to Lacity & Willcocks (1999), risk is the likelihood of loss as a consequence of uncertainty. Before signing a contract, it is wise to spend much time on designing a service level agreement that covers every aspect of the outsourced work, e.g. different stages to fulfill in the project with its result. It is fruitful to design the contract so it is possible to measure the performance. Performance criteria clarifies the expectations and set clear guidelines (Gordon & Walsh, 1997). A controlled procedure that can be followed and measured makes it easier to set a price for the performed work (Lacity & Willcocks, 1999; Khalfan, 2003; Smith et.al 2002).
7.2.4 Summary of the contract area

To achieve trust in IT outsourcing relationships, it is important to create a good foundation. To create a contract that is as short as possible with a possibility to rollover for some time might decrease uncertainty and forces the IT outsourcing provider to focus on to actually achieve the expectations. A scoped and detailed outcome-based contract that takes care of the environmental changes makes it easier to arrive at a suitable agreement that makes it possible to measure the performance. The contract is a foundation that helps the organization to create trust during the project. However, a flexible contract makes it easier for the IT outsourcing provider to slightly change the contract expectations and decreases trust from the organizational point of view. The following sections will increase the possibility to achieve trust in IT outsourcing relationships. The contract is just the foundation to attain a good start in how to achieve trust. Figure 8 shows the identified critical success factors within the area of contract based from the focused literature study.

<table>
<thead>
<tr>
<th>Written and mutual contract:</th>
<th>Contract duration:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• A tight contract</td>
<td>• A short as possible contract using a single-term or rollover approach</td>
</tr>
<tr>
<td>• Fulfill the psychological contract</td>
<td></td>
</tr>
<tr>
<td>• Fulfill written and mutual expectations</td>
<td></td>
</tr>
<tr>
<td>• Estimate the project scope</td>
<td></td>
</tr>
<tr>
<td>• Awareness of the environmental changes</td>
<td></td>
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<tr>
<td>• Identify the project roles</td>
<td></td>
</tr>
<tr>
<td>• Arrive at a suitable contract agreement</td>
<td></td>
</tr>
</tbody>
</table>

Minimize uncertainty:

- Outcome based contract
- Service level agreement
- Measure the performance

Figure 8: Critical success factors related to contract

7.3 Culture

To achieve trust in IT outsourcing relationships, it is important to be aware of cultural differences that deals with how employees interacts with each other and how they perceive and interpret the world and life in it. Understanding each other’s culture is important in order to succeed with the IT outsourcing project (Khalfan, 2003). According to Alshawaf and Khalfan (2003), it is widely believed that cultural issues have influence on organizational relationships and their management.

7.3.1 Communication

In global IT outsourcing relationships the organization and the IT outsourcing provider may not speak the same language even if English is used. Each country has a different culture with different expectations (Barthelemy & Geyer, 2001). According to Joyner, Payne and Raiborn (2005), the effectiveness of communication has an important role to achieve the expectations of the contract. With IT outsourcing relationships in a different culture, it is important that information can be transmitted and gathered properly, and interpreted clearly. In order to achieve trust, employees must be involved in the project and made aware of the need for information
transaction and to have the knowledge to ask the right questions to obtain all necessary details (Barthelemy & Geyer, 2001; Joyner, Payne & Raiborn, 2005).

Communication occurs both verbally and non-verbally. While verbal messages are built by words, non-verbal messages consist of voice tone, facial expressions, and behaviour (Joyner, Payne & Raiborn, 2005). Difficulties using verbal messages are often due to the use of slang or incorrect placement of verbs. Humans often use non-verbal messages even when they are not aware of it, such as smiling. Both verbal and non-verbal messages involve an encoding and a decoding phase. Encoding occurs when the sender creates the message, and decoding is the process when the receiver tries to make a meaning to the message. The problem is that miscommunication may occur in either the encoding or the decoding process. However, the potential problem is high when employees with different cultural background communicate non-verbally (Joyner, Payne & Raiborn, 2005). To increase the possibility to achieve trust in IT outsourcing relationships, it is wise to often use verbal communication to spread information. According to Grey et.al. (2004), communication based on honesty between the organization and the IT outsourcing provider is an important approach to achieve and maintain a trusted relationship. This approach helps the organization to have control over the project, and is also a major feeling when building trust (Grey et.al. 2004). According to Grey et.al (2006), development of mutual trust is important in order to enable the employees to work together more effectively. It leads to a more open communication, better decision-making, risk taking, and higher cooperation that all together leads to a more satisfied project.

### 7.3.2 Leadership

According to Hackney and Hancox (2000), the organization could be more comfortable if it knows the IT outsourcing provider beforehand. When selecting a partner, it is important to understand the cultural issues. For example, many cultures say hello differently, uses different working procedures, or make decisions with certain procedures. However, it is difficult to make a successful relationship if the partners are from a totally different domain and has different perspectives (Alshawaf & Khalfan, 2003). When dealing with an IT outsourcing provider in a different culture, it is fruitful to follow strict project procedures and spend more time consulting the employees before starting the project (Hackney & Hancox, 2000). According to Balstrup et.al. (2005), the leader must understand the cultural differences within the IT outsourcing project and use employees that can transform the leadership into the local cultural context. It is important to keep the IT outsourcing project together that creates an organizational culture. Understanding the culture is important to avoid frustration between the parts (Balstrup et.al. 2005; Khalfan, 2004). Its important to provide a strong leadership that can give a feeling that the organization owns the project and still have a project team, including the organization and the IT outsourcing provider, based on a good relationship (Ang, Koh & Tay, 1999). To build a good relationship based on trust it is fruitful to respond in a good manner and beyond the call of duty.
7.3.3 Context

The term context is also a cultural characteristic that refers to information surrounding a service (Grey et al. 2004; Joyner, Payne & Raiborn, 2005). It is the amount of information that is needed when making a decision in a certain situation. When communicating in low-context cultures, the message receiver often has little knowledge and the messenger therefore has to transmit specific details. Thus, in high-context cultures, the receiver has more knowledge and the messenger does not have to formulate details. However, culture has differences when communicating between two parts. In order to increase the possibility to achieve trust in IT outsourcing relationships, face-to-face communication is the best approach for minimize uncertainty but also the most expensive to adopt. To travel globally to meet the IT outsourcing provider requires time and money. Technology is important to use in order to spread the information to all employees in a good working order (Balstrup et al. 2005; Barthelemy & Geyer, 2001, Joyner, Payne & Raiborn, 2005). Alternatives to travel are the use of computer-mediated-communication technologies such as email, telephone conferencing, or video conferencing. However, telephone and video conferencing force the IT outsourcing provider to respond immediate with a minimal time for mental editing. From a trust perspective, it is better to use telephone or video conferencing while avoiding e-mail as much as possible to reduce misunderstanding (Grey et al. 2004; Joyner, Payne & Raiborn, 2005).

7.3.4 Summary of the culture area

It is important to be aware of the cultural issues that occur in IT outsourcing relationships. In order to achieve trust it is critical that information can be interpreted correct. In order to interpret information easier employees from the organization must be involved in the IT outsourcing project. To communicate with team members it is easier if verbal communication is used as much as possible. However sometimes it is necessary to use technology for communication. A better approach is to use telephone or videoconference instead of e-mail, although the organization must understand the cultural issues and differences to avoid misunderstandings. Stricter project procedures might increase the possibility to achieve the expectations from the contract that also leads to a trusted relationship. So far, trust is more easily achieved when the organization can deal with the cultural issues with its differences. Figure 9 presents the identified critical success factors within the area of culture.

<table>
<thead>
<tr>
<th>Communication:</th>
<th>Leadership:</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Transmit and gather information properly, and interpret clearly</td>
<td>- Understand the cultural issues and the differences within the IT outsourcing project as much as possible</td>
</tr>
<tr>
<td>- Involve employees in the project</td>
<td>- Strict project procedures</td>
</tr>
<tr>
<td>- Spread information verbally</td>
<td>- Spend time consulting employees</td>
</tr>
<tr>
<td>Context:</td>
<td>- Keep the IT outsourcing project together</td>
</tr>
<tr>
<td>- Use face-to-face communication as much as possible</td>
<td>- Provide a strong leadership</td>
</tr>
<tr>
<td>- Use technology as telephone and video conferencing before e-mail</td>
<td></td>
</tr>
</tbody>
</table>

Figure 9: Critical success factors related to culture
7 Results

7.4 Security

In order to achieve trust in IT outsourcing relationships, it is important to be aware of how security affects the organization and the IT outsourcing provider. Security includes how the organization can trust the provider when handing over sensitive information. Security can be divided into administrative security and technical security (SIG Security, 1999; Pfleeger & Pfleeger, 2003). Administrative security deals with the organization and its actors, and includes the process of creating a level of security protection. Technical security deals with data security and network/communication security and its access. Section 7.4.1-7.4.2 describes security such as administrative and technical security and the identified critical success factors, in each part.

According to Endorf (2004), the security of data and information is vital for any organization. Allowing an IT outsourcing provider to manage key information can be scary. Organizations fear the leakage of company information, such as transaction and accounting information. It is therefore very important to trust the provider (Endorf, 2004; Kim & Lee, 2004; Hoecht & Trott, 2006). According to Khalfan (2004), security concerns have been a hot risk factor and a major issue for loss of control. Alshawaf and Khalfan (2003) have conducted research in IT outsourcing in the public sector and have ranked the risk factor “security issues” (data confidentiality) as the major concern for most organizations (Khalfan, 2004; Lee & Leem, 2004). This strengthens the importance of the area of security (see figure 7) when achieving trust in IT outsourcing relationships.

7.4.1 Technical security

Once the organization has handed over sensitive information to the IT outsourcing provider, their concerns can include who will handle and access the information and what guards the network from outer threats. Security breaches seem to be increasing at a rapid rate. According to Endorf (2004), attack trends show that breaches increase annually by 64%, and the average organization has received 32 attacks per week over the past six months. It is therefore a need for having security professionals to deal with these attacks (Endorf, 2004). Thus, many providers offer IT outsourcing security, as the demand is high (Khalfan, 2004). Security services include managing firewalls, virtual private networks, vulnerability analysis, intrusion detection, and anti-virus protection. However, it is very crucial that the organization make sure that the provider have security measures in place, otherwise it will be hard to build a trusted relationship. These measures shall log all the activity around the sensitive information. In other words it has to be traceability of whom accessed information and how many breach attempts that have occurred. In order to achieve trust in a “risky” environment, it is important to make sure that the IT outsourcing provider can guarantee:

- **Authentication**: Determine the authenticity of users, computers, and resources. The process is to prevent access attempts by unauthorized users and to enable the user to identify the information sent by the sender. Using certificates and passwords will achieve authentication (Stefani et.al, 2006).
7 Results

- **Integrity**: gather and maintain exact information and guarantee that changes without authorization exist, neither intentionally nor unintentionally during transmission or storage (Khalfan, 2004; Stefani et al., 2006).

- **Access control**: Regulates user access to IT systems, ability to trace and log user activity. This ensures that the users are granted to the resources of the IT systems or refused access depending with the rules set up for each user. Access control is often provided by firewalls (Stefani et al., 2006).

- **Confidentiality**: Assure that information including messages, transport, and connection data in the service provision communication systems. Protect against unauthorized access to the information content. Unlike the access control security, confidentiality does not prevent unauthorized access to the physical representation of the information but against the interpretation of the context that the data represents. Confidentiality is achieved by encrypting data at storage or at the transfer of information (Khalfan, 2004; Stefani et al., 2006).

- **Non-repudiation**: Is applied in connection with electronic document exchange, aspects that certifies who generated a specific document, who claims responsible for the content of a document, verification that a document was received, and acknowledge the content of the document. In case of dispute, non-repudiation security can provide evidence. Non-repudiation is achieved by calculating the digital signature on a given quantity of data. (Stefani et al., 2006).

- **Availability**: ensuring that authorized persons have access when required (Khalfan, 2004).

7.4.2 Administrative security

According to Hoecht and Trott (2006), a way of securing commitment would be for the organization to get a stake in one or more of the IT outsourcing provider services. **Partial ownership** may make the provider a consultant that would offer control in the sense that the organization can influence in decisions made by the service provider (Hoecht & Trott, 2006).

When selecting an IT outsourcing provider, it is good to have a process set up similar to as when one would select an employee. It is important that the provider has the necessary **security experience**, such as security architectural design, policy creation, and vulnerability analysis (Endorf, 2004). Security management must address **employee awareness** with well-addressed education (Khalfan, 2004). Information security and computer usage policies must be available, implemented and educated to the employees. These policies must be used inside the organizational culture and not just be a shelf-warming policy. Before the organization hands over sensitive information, it should make sure that **security issues are understood** throughout their own involved employees and within the provider environment. **Implemented security policies** are very useful in raising security awareness inside the IT outsourcing project (Khalfan, 2004; Stefani et al., 2006). Security policies are the means to simplify operations involving many complex numbers of rules (Dames & Wittgreffe, 2005).
7.4.3 Summary of the security area

Security is an internal part of IT outsourcing relationships and it is important to reach agreement with the IT outsourcing provider about what level of security that will be provided. The main part is to make sure that the IT outsourcing provider has security experience, and a well-implemented security policy that all employees agree with (Khalfan, 2004). Figure 10 presents the identified critical success factors within the area of security.

<table>
<thead>
<tr>
<th>Technical security:</th>
<th>Administrative security:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Measure security</td>
<td>• Partial ownership</td>
</tr>
<tr>
<td>• Guarantee security authentication,</td>
<td>• Security experience including security</td>
</tr>
<tr>
<td>integrity, access control, confidentiality,</td>
<td>architectural design, policy creation,</td>
</tr>
<tr>
<td>non-repudiation, and availability</td>
<td>and vulnerability analysis</td>
</tr>
<tr>
<td></td>
<td>• Security management, educate employees</td>
</tr>
<tr>
<td></td>
<td>• Guarantee security education before sensitive information is handed over</td>
</tr>
<tr>
<td></td>
<td>• Implemented security policies</td>
</tr>
</tbody>
</table>

Figure 10: Critical success factors related to security
8 Elaborating the framework and its contribution

This section describes our framework and its contributions. See Appendix C for a complete overview. The framework addresses the thesis aim, to identify and describe the process of how to achieve trust in IT outsourcing relationships. Section 8.1 describes the use of the framework while section 8.2 describes the framework contribution.

8.1 The use of the framework

The framework consists of the three identified areas (see sections 7.2-7.4): contract, culture, and security, which together take a management approach to achieve trust in IT outsourcing relationships. Within these areas, critical success factors have been identified that are viewed as important in order to increase the possibility to achieve trust in IT outsourcing relationships.

The framework can be used as a guiding principle that describes the process of how to achieve trust in IT outsourcing relationships within the areas of contract, culture, and security:

- The first step is, to understand how the three areas affect each other. The focus is on how the culture affects the creation of a contract and how to adapt to security, how a contract affects the choice of security issues and vice versa.

- The next step is to understand the critical success factors within the areas. This helps to achieve a general thinking of how to achieve trust within the areas of contract, culture, and security. The purpose is to get a general understanding of how to achieve trust in a “theoretical” IT outsourcing relationship. This raises the awareness that will be used to suit the knowledge into a specific IT outsourcing project.

It is important to understand how to how the three areas with their critical success factors may influence a specific project, and understand how important certain areas are within the project. For example, a global IT outsourcing project may pay more attention to suit the cultural critical success factors before creating a contract, while another project has to have a tight security, and another pay huge attention to create a detailed contract. However, these projects have to achieve all the identified critical success factors within the three areas in order to achieve trust, even though more focus is inside some area. This framework can be used to achieve trust even though outsourcing projects may use other researches contribution to create a contract, deal with a culture, or adapt to security. The importance is to get a theoretical thinking that can be used to adapt to certain situations. When viewing figure 6, which defines the framework of trust, organizations can use this framework as a “way of thinking” that influences how to work and control the IT outsourcing project.
8 Elaborating the framework and its contribution

8.2 Contribution

With the thesis aim in mind, the results show how to achieve trust in IT outsourcing relationships. The framework based on critical success factors shows how to achieve trust within three areas, all with a management perspective. When an organization has decided to outsource and wants to increase the possibility to succeed with the IT outsourcing project it is important to be aware of many issues. Related work indicated that organizations have to be aware of critical success factors of what to strive towards. Risks indicate pitfalls, and a management perspective shows how to avoid risks by using the critical success factors. This thesis contributes with a framework that can be used in order to achieve trust. Thus, the framework is a step towards a successful IT outsourcing project but is viewed to be very important (see related work in chapter 5).

Figure 3 defines an IT outsourcing relationship and our framework follows the properties: context, contract, behavioural, and interactions. The areas: contract, culture, and security deals with how to create a contract in a context that is used when meeting properties such as expectations, satisfaction, and trust. The framework also shows that interactions such as: cultural adaptation, information exchange exists in order to meet the behavioural properties.

Figure 6 defines the framework of trust that has a combination of a way of controlling, way of working, and way of thinking, which shows that to achieve trust in IT outsourcing relationships our framework is a theoretical approach based on general perspectives. When comparing the defined framework (figure 6) and our framework (appendix C), the identified critical success factors within the identified areas show that their content fall under the category of a way of controlling, way of working, or way of thinking, e.g. critical success factor: a tight contract can be viewed to be a way of thinking while measure security is a way of controlling.

The comparison of figures 3 and 6 with our framework strengthens that the identified critical success factors follow the structure of the defined IT outsourcing relationship and the framework of trust.
9 Conclusion and future work

This chapter reflects on the process of achieving the expected result. The thesis aim is revisited in order to understand how the results correspond to the thesis aim. Section 9.3 describes a critical review of the results. Suggestions for future work are presented in section 9.4.

9.1 Conclusion

In order to achieve the thesis aim, a literature study has evolved with phases as broad, focused literature review followed by a synthesis that created the abstract concept areas, which generated the expected framework based on critical success factors on how to achieve trust in IT outsourcing relationships. Every phase connects to each other in some way. The broad literature study gained a knowledge platform that described and gave understanding within the area of IT outsourcing. This knowledge was used to review the focused literature in the perspective of how to achieve trust. The knowledge that the focused literature review created confirmed the result from the broad literature study. This iterative loop created an extensive understanding that was used to define concepts in this thesis and how trust was related to the literature. However, the literature for the broad and focused literature study was received using the same search keywords. Thus, the focused literature was reviewed with a perspective of relationship and trust that the broad literature study has defined in section 4.1-4.2.

By creating the concept matrix (see appendix A), an overview of the identified concepts from the focused literature gave understanding that made it easier to identify the abstract concepts areas. These areas was considered to be important in order to identify critical success factors on how to achieve trust in IT outsourcing relationships. These areas gave three perspectives of how to achieve trust from a contractual, cultural, and security point of view.

9.2 Thesis aim revisited

The aim for this thesis was to identify and describe the process of how to achieve trust in IT outsourcing relationships. The created framework meets the thesis aim and should be used as a guiding principle of how organizations can achieve trust in IT outsourcing relationships that increases the possibility to achieve project success. The framework should give a higher awareness that makes it possible to deal with different IT outsourcing situations. The aim focused on how to create trust in relationship between the organization and the IT outsourcing provider from the planning phase until the project is finished. This refers to when the organization already has decided to outsource and when there has been an agreement between both parts that the project has ended, i.e. project success or failure.
9.3 Critical review of the result

To achieve the thesis aim, four research phases were used, broad literature review, focused literature review, synthesis, and framework. The broad literature review was used to define IT outsourcing, relationship and trust. This knowledge was used as input for the focused literature study that reviewed the literature with a perspective of trust. The knowledge that the focused literature review created confirmed the result from the broad literature study and created a richer foundation for the focused literature study. This iterative loop strengthens the thesis result since the focused literature knowledge created a stronger platform for the broad literature review. As the focused literature were reviewed their concepts were structured in a concept matrix. The synthesis phase characterized the concepts and identified their abstracted areas that covered all the identified concepts. This process strengthens the thesis results as the abstracted areas guarantee that all focused literature falls under at least one area and together generates the framework. The last phase created the framework based on the critical success factors with the three areas of contract, culture, and security. This framework is the thesis result and contribution to the intended audience.

Due to the very high amount of literature within IT outsourcing, there might be a risk that some important literature have been elicited. Also, some literature and its definitions and models might have been interpreted wrong. Thus, this thesis results is one way to view how trust is achieved in IT outsourcing relationship. However, this is a good foundation for future work.

9.4 Future work

As this thesis has created a theoretical framework on how to achieve trust in IT outsourcing relationships, continued work will be to test this framework on a real case scenario. There is a clearly need for empirical studies that evaluates the usefulness of this framework and its critical success factors. Future work that could strengthen this thesis result would be to perform a questionnaire or interview investigation within a case or field study that could confirm or decline the framework.

The literature study also indicate that human behavioural is a part of how to achieve trust in IT outsourcing relationships. Future work would be to perform similar framework within the area of human behavioural that is not influenced by information technology aspects, e.g. how to act in a group of people in order to achieve trust. Human behavioural findings together with this thesis framework would increase the possibility to achieve trust in many IT outsourcing projects, which increases the project success outcome.

There is a fruitful future work that could investigate if there is a difference of the perspective of trust from the IT outsourcing providers’ point of view. This thesis is focusing on how to achieve trust from the organizations’ point of view and the literature study indicates that there are other factors to take care of when the IT outsourcing provider is concerned of how to achieve trust to the organization that hands over services.
References


References


