

A SELECT STUDY OF IT-ENABLED SOURCING OF SERVICES TO INDIA

by

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Submitted

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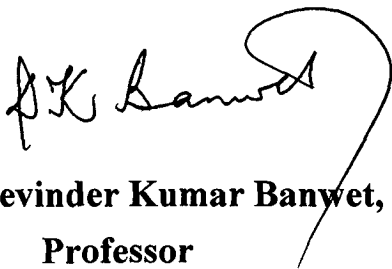


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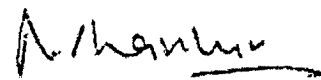
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Certificate

The thesis entitled “A Select Study of IT-enabled Sourcing of Services to India”, being submitted by Ms. Shiri Gandhi to the Indian Institute of Technology, Delhi, for the award of degree of Doctor of Philosophy, is a record of bonafide research carried out by her. She has worked under our guidance and supervision and has fulfilled all the requirements for submission of the thesis, which has attained the standard required for a Ph.D. degree of the Institute. The accompanying thesis is her genuine and original work and the results presented in the thesis have not been submitted elsewhere for the award of any degree or diploma.



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(Shiri Gandhi)

Abstract

The spread of advanced telecommunication networks have made digitized work potentially delocalizable. This paved way for IT-enabled sourcing of services, whereby business processes and functions can be sourced from the most advantageous locations. Initially, the clients sourcing these services focused on cost arbitrage and thus chose India for the substantial cost and labour advantages it offered. Over time, the services of Indian providers have evolved to create a shift in the competitive position. The Indian providers now offer strategies to optimize and enhance the operating results of client organizations.

This research studies the organizational context, process migration and stabilization strategies of the Indian service providers to understand how they leverage knowledge to add value to client's processes. The research also studies aspects of client-service provider relationships, to understand its role in value-addition to sourced processes. Impact of governance, process, and technology are some other aspects researched.

The research has been conducted in six phases, starting with a scoping exercise through literature review. The second phase used a structured questionnaire to empirically determine the breadth of practices leading to value-addition in IT-enabled services. The third phase involved development of hypothesis and their statistical validation through the analysis of responses to the questionnaire using descriptive and inferential statistics, with the help of SPSS. The fourth phase involved carrying out case studies extended over at least eight months to ensure comprehensive understanding of the operations in planning, transition and stabilization stages of the process as well as the dynamic client-service provider relationships. The case studies were carried out from the perspectives of all involved partner organizations, primarily categorized as the client and the service provider. In the fifth phase of the research, Interpretive Structural Model (ISM) of specific investments has been arrived at, in order to identify and summarize relationships among specific items that define the relational specificity between client and service provider in IT-enabled services. In the final phase multiple theories of the firm as well as the quantitative and qualitative methodologies used in this research have been combined through triangulation.

The preliminary findings in the study confirmed the trends towards value-addition in sourced processes. Further analysis showed that service providers set up organizational

context that facilitates knowledge of clients' processes, which is used to continuously add value to sourced processes. Service providers also make efforts to strengthen trust between the two parties that moves the clients' focus from transaction costs to relational investments with an expectation to increase competence and capability through the partnership.

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