

Applying a Configurational Approach for Explaining the Role of Relationship Quality for Successful Outsourcing Arrangements

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Abstract. Relationship quality dimensions like trust or commitment have been proven to be crucial determinants for the success of outsourcing arrangements. Most previous empirical studies focus on the success of relationship quality dimensions within a specific contextual outsourcing arrangement. We argue that the importance and formation of each relationship quality dimension highly depend on the contextual background of the particular study. To substantiate this contingency argument, we conducted 16 interviews with managers in different types of outsourcing arrangements and questioned them about their understanding of relationship quality. Linking managers' statements with their outsourcing background, we found several configurational patterns that describe the different roles of relationship quality for successful outsourcing.

Keywords: IT outsourcing · Relationship quality · Configurational perspective · Explorative approach

1 Introduction

Managing high-quality relationships with IT service providers is one of the key challenges in outsourcing arrangements and often a source of failure [1–3]. Various outsourcing studies have analyzed these challenges by focusing on different dimensions of relationship quality (RQ), such as trust, commitment or mutual understanding, and their management [4]. Empirically, these studies usually focus on specific types of outsourcing arrangements, which raises the presumption that the role or importance of certain RQ dimensions depends on such contextual factors. Research tries to gain a richer understanding in this field by developing a generic conceptualization of the RQ dimensions and then relating them to different contexts.

Thus, our research question is: *How does the importance of the dimensions of relationship quality differ in various IT outsourcing contexts?*

To answer this question we applied an explorative approach and conducted 16 interviews with outsourcing managers responsible for relationship management between IT provider and IT client. In the following, this paper proceeds with providing

an overview about the multi-dimensional concept of relationship quality and about the applied configurational perspective (Sect. 2). Then we present our research approach and describe the data collection and coding process (Sect. 3). As a result of the interviews we first specify the relationship quality construct from the practitioners' point of view (Sect. 4.1) and then develop a configurational framework which links the identified RQ dimensions to the particular configurations of outsourcing arrangements with regard to project and collaboration type. Thus, the resulting model highlights the *contextual* description of relationship quality dimensions enabling detailed insights into the differential importance of relational aspects in IT outsourcing.

2 Theoretical Background

2.1 Relationship Quality in Outsourcing Projects

According to Lacity, Khan and Willcocks [3], determinants for Information Technology Outsourcing (ITO) success can be categorized into: ITO decision, contractual governance and relational governance. Relational governance attempts to manage relationship variables like trust, commitment or mutual understanding. Altogether, these variables form the outsourcing relationship quality (RQ). The importance of RQ on ITO success has been shown in various studies [e.g. 2, 5]. In a review of the ITO literature regarding relationship quality, we compiled a list of 17 dimensions which have been mentioned as being crucial components of relationship quality in previous studies (see Appendix). This list gives an impression of the diverse discussion on relationship quality. Within this discussion, scholars discuss which dimensions are the most relevant for ITO success. For example, Beimborn [6] showed in a study on outsourcing of application management that “commitment and communication quality are the most important RQ dimensions.” (p. 9). Another study clusters the different client types (e.g. “Business-efficiency clients” or “Strategists and innovation seekers”) and identifies the differential importance of RQ dimensions like trust or vendor proactivity for these client types [7]. Even though this study highlights the importance of different RQ dimensions, it does not include possible differences in the meaning of the RQ dimension within a certain cluster of client types. Thus, it remains open if, for example, a ‘strategist’ has the same understanding of the RQ dimensions (like ‘cultural similarity’) like a ‘business-efficiency client’.

2.2 Configurational Explanation

The contextual influence on ITO has already been considered in previous studies. Most studies focus on the link between ITO strategies and ITO success [e.g. 7, 8]. An important study in this context has been conducted by Lee, Miranda and Kim [9] who apply three possible perspectives to explain the success of ITO strategies – namely the universalistic, contingency and configurational perspective. While the universalistic perspective seeks for best practices in the explanation of project success, the contingency perspective assumes that there exist different environmental factors which drive the success of ITO. A list of such contingency factors has been developed in a literature

review on IT project portfolio management by Frey and Buxmann [10]. This list includes factors like geographical location, project type or organizational environment. The contextual explanation extends the universalistic theory by linking the contextual factors to specific strategies which allows multiple pathways in the explanation of success.

The empirical findings of Lee, Miranda and Kim [9] “indicate the superiority of the configurational approach over universalistic and contingency perspectives in explain outsourcing success.” (p. 110). Along this perspective, the success of an ITO strategy lies mainly in the configurational patterns of the organization (i.e. *gestalts*). Because we assume the configurations of different contextual factors as being critical for the relevance of certain RQ dimensions, we apply this configurational perspective. The aspects that form the configurational pattern can be based on previous studies on contingency factors such as the outsourcing object [7], duration of partnership [9] or organizational structure [8]. In our study, we will focus on the set of contingency factors identified by the literature review of Frey and Buxmann [10], referred to above.

In our study, the configuration patterns will be described by several contingency factors, which in combination with the RQ statements lead to the contextual description of the RQ dimensions. Because the specification of the pattern has been one of the results of the interviews, the pattern will be presented later in the findings.

3 Research Approach

3.1 Data Collection

The objective of this explorative study is to find out more about the concept of relationship quality in different outsourcing arrangements. To do so we first compiled a list of the commonly adopted RQ dimensions. A team of five researchers and two practitioners reviewed the list of previously applied RQ dimensions (see Appendix) and compiled a short list of the most critical dimensions consisting of 15 dimensions¹.

Due to the explorative nature of our study, we did not prepare any further guideline for the interviews, which took 80 min on average. The main objective was to expose the interviewees’ understanding of the relationship quality concept. To conduct the second step of adjusting the statement to the context, we first asked the interviewees to provide some insight into their previous and current responsibilities and experiences in outsourcing and relationship management. Important aspects were duration of the current job position, type and duration of previous outsourcing-related positions, and experiences in current and previous projects in terms of outsourcing object, geography (e.g. offshoring), and organizational structure of the arrangements. All 16 interviewees have been responsible for managing IT outsourcing relationships for 3 to 22 years. Common outsourcing objects cover the development of applications and firmware, management and support of existing applications, or the maintenance and support of existing IT infrastructure. Most of the projects are farshore or nearshore projects. In one

¹ The 15 dimensions are: Trust, Fairness, Mutual Understanding, Vision, Control, Consensus, Identification, Communication, Cultural Values, Flexibility, Forbearance, Commitment, Extra Mile, Openness, Respect.

case the provider is located next to the client's site. The partnership forms vary from highly embedded partnerships to independent and output-oriented partnerships. Table 1 highlights the key attributes that give a short overview of the general interviewee's background.

Table 1. Interview participants

ID	Industry	Outsourcing experience [in years]	Role, responsibility	Geographical range
A	Consultant	15	Strategic sourcing advisory	Farshore, nearshore, onshore
B	Software engineering	15	Managing director	Farshore, nearshore, onshore
C	Railway	>10	Platform and application management	Farshore, nearshore
D	Banking	10	Vendor management	Onshore
E	Aerospace	20	Data center services; IT operations	Nearshore
F	Telecomm-unication	>10	Strategic provider management in ISD	Focus on farshore, nearshore
G	Telecomm-unication	10	Relationship and escalation management	Farshore, nearshore
H	Banking	>10	Relationship manager on provider side	Farshore
I	Software engineering	>20	Relationship and program management	Farshore, nearshore
J	Railway	>10	Application development and integration	Farshore
K	Banking	>15	Global head of product sourcing; Commodity management	Farshore, nearshore
L	Aerospace	>10	Head of service delivery;	Nearshore
M	Telecomm-unication	–	Carry-on partner management	Nearshore, onshore
N	Aerospace	>10	Companywide IT infrastructure	Farshore, focus on nearshore, onshore
O	Health care	>15	Global IS development	Farshore, nearshore, onshore
P	Pharma and biotech	–	Relationship management	Farshore, nearshore

After the description of their responsibilities, the interviewees were asked to describe their understanding of RQ. If necessary, we applied the prepared 15 dimensions of RQ and asked the managers for their understanding of each particular dimension. To underpin the statements we asked the interviewees to present specific examples from existing projects in which they experienced different aspects of RQ. These examples were later used to confirm the description of the responsibilities given at the beginning of the interviews.

3.2 Coding

The coding process has been conducted by four researchers. In a first step, the transcribed interviews were reviewed by every researcher individually. In addition to the full transcript, a list of interviewee statements related to the different relationship quality dimensions was compiled and handed out to the researchers. In a first discussion session, the concept of relationship quality as perceived by the interviewees was discussed in detail and without any association to any particular (outsourcing) context. First, we discussed every single RQ dimension that had been part of the interviews. Then we tried to uncover overlaps and similarities between the RQ dimensions. The results of this step reduced the initial 15 literature-based dimensions of RQ to five comprehensive RQ dimensions. The results of this analysis are presented in Sect. 4.1. In a next session, we then focused explicitly on the context of the outsourcing arrangements and projects the interviewees had been referring to. First, we compiled a list of background information of the interviewee and characterized the project responsibilities. Items in this list have been, e.g., position in the company, types of responsibilities or specific partnerships mentioned in the interviews. We discussed each item in the list and evaluated the potential influence of each item as well as a combination of items on the statements of the interviewee. The results of this discussion are presented in Sect. 4.2. In the last step, we linked the findings of Sects. 4.1 and 4.2. We documented the key statements of every interview about the determined RQ dimensions and allocated them to the configurational pattern resulting from Sect. 4.2. The results of this allocation are presented in Sect. 4.3.

4 Results

This section consists of three sub-sections. First, we present the generic description of the relationship quality variable which arose from the interviews. Second, we develop the configurational framework that is based on the different characteristics of the projects discussed in the interviews. In the last step, we merge the findings of the two previous sections and present an evaluation of relationship quality within the different contextual situations in which the project are embedded.

4.1 The Dimensions of Relationship Quality

As a result, we distilled a five-dimensional relationship quality construct, consisting of mutual understanding, trust, commitment, communication, and fairness. Each of these dimensions consists of several characteristics to further specify the respective dimension (Fig. 1).

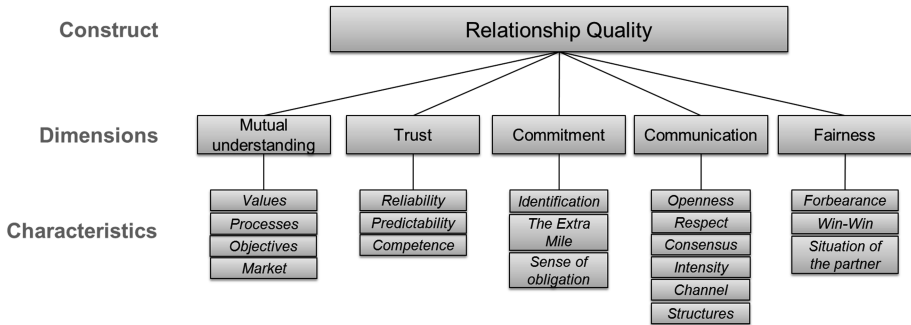


Fig. 1. Characteristics of the RQ Dimensions

In the following, we present a description of the five dimensions as a first result of the interviews.

Mutual Understanding. Mutual understanding is defined as “the ability of IT and business [...], at a deep level, to understand and be able to participate in the other’s key processes” [11, p. 86] and is important to enable knowledge transfer and to make the vendor staff able to provide effective services to the client.

In the interviews, mutual understanding has been discussed through an organizational perspective, focusing on organizational processes, objectives and the market environment, and through a social perspective, referring to the level of understanding regarding each other’s values. The latter helps to understand the values and beliefs that drive an individual’s behavior and to deeply understand the intentional actions of the partner. The values are mostly formed by the individual’s experiences in the social environment. With a focus on the importance of mutual understanding about the values, we need to distinguish between two context-related scenarios. While in the context of standardized services some interviewees named mutual understanding to be of only minor importance, high importance was reported for understanding the client’s/provider’s values in projects and more specific services.

By contrast, organizational mutual understanding focuses less on interpersonal interactions and understanding but more on the general understanding of the mutual tasks within the collaboration. Thereby, three aspects are important. First, understanding the partner’s business and processes helps to understand the consequences of delivery failures. As an example two interviewees mentioned that they try to involve their partners as much as possible into the overall business domain, so that they fully understand both the relevant processes to be supported and the consequences of late or

low quality service deliveries (system failures etc.) (e.g. interviewee L). Second, an understanding of the partner's objectives refers to knowledge about what both partners try to achieve in the collaboration. In general, there exist several reasons and the partners have to understand each other's motives to act accordingly. The third aspect of organizational mutual understanding is an understanding of the market environment like regulations or competition. This type of understanding helps to comprehend the formal possibilities and boundaries of the partner's scope for action.

Trust. Trust can be defined as “the firm's belief that another company will perform actions that will result in positive outcomes for the firm, as well as not take unexpected actions that would result in negative outcomes for the firm” [12, p. 326].

Similar to previous research, we found evidence for the conceptualization of trust into relational trust (like reliability and predictability) and competence-related trust [13, 14]. At the beginning of each relationship there is a high need for competence-based trust, meaning that the provider needs to rely on the word and fairness of the client, and the client needs to rely on the competence and capabilities of the provider (interviewees H, C). Nevertheless, this competence-based trust should be highly tightened to the specific project context. For example, one interviewee (interviewee G) mentioned a collaboration in which the client trusted in the competence of the provider because of a previous project. However, the context of the project objectives changed for which reason the provider could not deliver its service at the expected quality level. Hence it is important to take the specific environment into account when developing competence-based trust.

In the ongoing collaboration, relational trust becomes more important. The experts agreed that reliability is the most important factor for generating trust. The second layer of social trust is predictability which reflects the extent of unexpected changes in the behavior or service delivery (e.g., the client can rely on the steady service delivery of the provider in application maintenance arrangement). Some experts argued that it is necessary for the parties to not show varying behaviors. Frequent changes in behavior lead to a situation in which the parties are not able to assess the partner's behavior.

Commitment. “Commitment refers to an implicit or explicit pledge of relational continuity between exchange partners. In an outsourcing partnership, both the vendor and the client can and should allocate sufficient resources and signal bearing sufficient or even extra efforts in order to sustain and improve the relationship over time” [6].

Commitment can be captured by (1) the identification with both the partner and the task; (2) “going the extra mile”; and (3) the sense of obligation. First of all, identification focuses on the vendor's company/brand (does the provider show identification with the vendor's company/brand) and/or on the task (is the provider enthusiastic for the task). Depending on the contextual situation some interviewees extended the unidirectional into bidirectional identification. Identification requires closeness to the partner and appraisal. Effective means to increase identification are therefore, e.g., visits at the partner's office or teambuilding events (e.g. O, J). However, some of the interviewed experts sharply rejected the importance of identification (G, M). Bound to the context, we found a higher importance of identification in close and highly dependent relationships.

Second, high commitment on both sides of the sourcing arrangement will increase the possibility that the provider delivers more than agreed-on as per the contract obligations, e.g., working long/extra hours or at the weekend, when necessary. Hence commitment leads to a greater willingness for going the extra mile.

The third layer consists of the sense of obligation one party feels for the other. This can either be because of moral values (the values of both parties are consistent with each other), emotional binding (sense of emotional closeness to the partner) or financial aspects (high salary). Highly obligated parties are less likely to leave the project but to invest time and effort into the relationship. As a negative example, an expert mentioned a situation in which a lot of the partner's employees left the project because the application development project was not interesting enough (J). In this specific case, the organization even reacted by stopping collaboration projects which were not interesting enough for the partner.

Communication. Communication is viewed in terms of both communication quality and communication intensity. Communication quality “describes the efficiency and effectiveness of information exchange between partners” [15, p. 3]. The first aspect of communication quality is openness. Occurring problems and unexpected events need to be addressed as soon as the provider cannot handle the problem alone without performance declines. Several interviewees noticed that the problems need to be addressed in an open communication. Second, the communication has to be respectful. The experts agreed that a relationship only harmonizes if the parties respect each other and do not assume that the partner is “too stupid”. In problematic situations, each party has to keep a professional attitude and focus on jointly solving the problem in a respectful manner. The communication process of finding consensus refers to reaching a situation which is suitable for both parties. In the interviews, most experts agreed that the process of achieving consensus is more important than just having a consensus as an end in itself. Only if the partners spend sufficient time to understand the others' problems and intentions, both can achieve an effective and sustainable consensus.

Communication intensity is characterized by three layers – intensity, channel and structure. The first layer (intensity) focuses on the regularity of communication which also incorporates the proactivity. We found that the level of communication intensity needs to be aligned to the specific context. On the one hand the optimal level of communication intensity depends on the maturity of the relationship and on the other hand on the complexity of the project. Communication channels (which form the second layer of communication quantity) determine how information is transferred and how it is perceived by the recipient. Possible channels may be face-to-face, email or telephone. The experts agreed that the major channel in complex collaboration tasks is face-to-face communication but also mentioned that it again depends on the context of the collaboration, i.e., simple or standardized tasks can be coordinated through digital communication channels. One interviewee argued that a sudden switch between communication channels is often a sign of deeper problems in a relationship (O). Communication quantity, as the third layer, reflects the communication structure, meaning who is speaking to whom and sharing which information. By analyzing the structure we can identify actual roles, responsibilities and contact persons. The experts noticed that the formalized structure of responsibilities and contact persons does not

always match to the one used in practice. Similar to communication channels we recognized that the sudden change from informal communication structures to formal structures may be a signal for significant problems within the collaboration.

Fairness. Fairness addresses an important facet of the perception of a partner's specific actions. "An action is perceived as fair if the intention that is behind the action is kind, and as unfair if the intention is hostile" [16, p. 819f.]. In addition, "people determine the fairness of others according to their motives, not solely according to actions taken" [17, p. 1289].

According to our findings, fairness consists of three layers – situation of the partner, forbearance, and win-win. The first layer describes the behavior in situations which were not anticipated at the beginning of the relationship and therefore require specific behavior. The parties should try to understand any unexpected situation within the partner's organization and behave fairly. For example, unexpected external political decisions or governmental restrictions may influence the delivery time. While an unfair client will force the provider to keep the SLA, a fair client will show understanding.

The second layer – forbearance – describes the reaction to (minor) underperformance or other variations from the fixed agreements in the contract and SLAs. Forbearing behavior depends on the project maturity. One expert stated that forbearance is more probable during the early stages of a sourcing arrangement (G). This is mostly due to the fact that almost every sourcing project is confronted with teething troubles. Forbearance helps to gain more stability and establish a fair relationship. However, in any phase of a relationship, forbearance depends on the frequency of issues that appear. The experts agreed that it is important to learn from mistakes but also concluded that a problem should not appear twice.

The goal to create a win-win situation builds the third layer of fairness. Since there exist usually some conflicting objectives in an outsourcing relationship – for example concerning the price vs. quality of the service delivery – the partners need to create a situation which is profitable for both of them.

4.2 Setting the Configurational Framework

To develop the configurational framework we adopted ideas of previous studies on configurational analysis in ITO and IT project research [e.g. 7, 8, 10] and adjusted these to the context of our research. The overall framework consists of three contextual factors which mainly influence the formation of relationship quality in a partnership. These are: type of partnership, geographical distance and type of service. The factors are further attributed by specific characteristics which are described in the following (see Table 2).

Type of Partnership. To specify the type of partnership we draw on the gestalts of IT outsourcing strategies proposed by Lee, Miranda and Kim [9]: Independent, Arm's-length, and Embedded. The authors labeled the three types of partnership as gestalts which they proved to be more likely to succeed in a specific outsourcing outcome. The three forms are described by four characteristics: governance form, decision scope, contract type, and contract duration (see Table 3).

Table 2. Contextual factors in ITO relationships

Type of partnership	Embedded partnership
	Independent partnership
Geographical distance	Farshore
	Onshore/nearshore
Type of service	Information systems development
	IT operations

Table 3. Outsourcing Gestalts [8], adapted from Lee, Miranda and Kim [9].

Gestalt	Governance form	Decision scope	Contract type	Contract duration	Anticipated Outcome
Independent	Hierarchy	Minimal	Buy-in	Short-term	Strategic competence
Arm's-length	Market	Selective	Fee-for-service	Medium-term	Cost efficiency
Embedded	Network	Comprehensive	Partnership	Long-term	Technology catalysis

In the interviews we noticed difficulties in the separation of (1) arm-length and embedded partnership and (2) arm-length and independent partnership. Because arm-length partnership is a mix of independent and embedded partnership we straitened our focus on embedded vs. independent partnerships.

Geographical Distance. Because many outsourcing partnerships pass national borders we extend the framework by the contextual factor of geographical distance [18]. In the interviews, we noticed that distance plays a crucial role in the management of IT projects not only because of cultural dissimilarities but also because of communicational difficulties due to fewer personal meetings and different time zones. We distinguish between farshore outsourcing and nearshore/onshore outsourcing. While farshore outsourcing goes beyond the borders of the outsourcer's continent (e.g., India, China, from a Western European perspective), nearshore outsourcing remains within a continent to a country close to the outsourcer (e.g., Poland, Slovakia).

Type of Service. The configurational factor 'type of service' has been considered by several previous studies in related research domains [e.g. 8, 18, 19]. The type of service describes the main object (i.e. service) that is provided by the vendor. Leimeister and Krcmar [7] differ between IT infrastructure, IT applications and IT-supported business processes. A more holistic classification has been presented by Zelt, Wulf, Neff, Übernickel and Brenner [8] who differ between standardization, technical condition and complexity of the application portfolio. Thus, they categorize the objects (or services) into standardized vs. complex applications. However, in practice a sharp differentiation between standard project partnerships and complex project partnerships can be problematic because in several interviews we found partnership patterns with more standardized *and* more complex projects or project stages. For that reason we found the classification based on Leimeister and Krcmar [7] to be more suitable. Based on the background of our interviewees, we can differ between Information System Development (ISD) and management of IT operations (IT Ops.) like application or IT infrastructure management.

4.3 Contextual Relationship Quality

The findings of the contextual RQ dimensions are presented in the following. The framework provides an overview of the most critical characteristics of the RQ dimensions (see Fig. 1). It is important to notice that the characteristics that we *did not* include in the tables are still important for the relationship but do not represent the most critical characteristics in the respective dimension.

An important finding relates to the mutual understanding about the values from the perspective of the type of partnership and the geographical distance. Even though the mutual understanding about the respective values has been mentioned in all interviews, the understanding of the respective (cultural) value system becomes essentially important in farshore outsourcing projects. Considering the geographical distance we found an important distinction of personal value systems and country-related value systems (O). Because in nearshore projects the outsourcer is more or less familiar with the country-related value systems, the discussions focused on the personal value systems influenced by individual experiences and preferences (e.g. E). Farshore projects on the other hand are more complex; in many cases the interviewees mentioned dissimilarities of the country-related value systems in addition to the personal value systems (e.g. F, N). Thus, the partners need to understand the respective country-related values and the personal values (Table 4).

Table 4. Configuration of mutual understanding (most critical aspects)

Type of partnership	Geographical distance	Type of service	RQ Dimension: Mutual Understanding of ...
Embedded partnership	Farshore	ISD	Personal and country-related values; Agreement on values should be achieved
		IT Ops.	Vision; Country-related values
	Nearshore/Onshore	ISD	Personal values; Agreement on values should be achieved
		IT Ops.	Vision; Personal values
Independent partnership	Farshore	ISD	Country-related values
		IT Ops.	Market; Objectives
	Nearshore/Onshore	ISD	Market; Processes
		IT Ops.	Market; Processes

In the context of values and geographical distance we found another important aspect which has been mentioned by three managers (F, I, L). When analyzing the understanding of values as a critical success factor one needs to consider the experience of the company with outsourcing projects. The managers distinguished between “global player” and “local firm”. If at least one partner of the collaboration is a global player the handling of the different value systems becomes easier than in cases in which both parties do not have much experience in working with other cultures.

Another important finding in this context relates to the type of partnership. We found several statements of managers responsible for embedded partnerships who declared the understanding of values as the most critical factor in managing an embedded relationship (e.g. O, F, J). On the other hand a manager responsible for the IT infrastructure managing mainly nearshore and onshore projects mentioned that he is not interested in the values of the provider and the provider does not need to know the values of the client (N). To manage the client's infrastructure the provider 'just' needs to understand the internal processes of the client which relate to the IT infrastructure. Another manager who is responsible for a nearshore application management project declared the understanding of values as not important and stated that "we are all professional". He mentioned that in his project there exists just one cultural value system – "the business culture" (N). Thus, while values have been stated as the most important characteristic in a high performing network, the relevance in independent collaborations is much lower than, for example, the mutual understanding about processes and objectives. A possible explanation for this crucial alteration of this characteristic could be the IT outsourcing object which is usually much more standardized in independent collaborations than in networks.

Focusing on embedded partnerships we found a distinction of the level of understanding of the values. Four managers (C, F, J, O) stated that the pure understanding of the respective values is an essential step in a work relationship. Especially in ISD projects this pure understanding should ideally result in a mutual agreement of the value systems. We found such statements especially in ISD projects because of the very high frequency of interaction and communication, which is important to 'get along' with the partner's values than in more formalized projects (comprehensive evidence in interview O) like management of IT infrastructure.

Besides the understanding of values, we found, in some configuration patterns, the mutual understanding about the objectives to be an important success factor. As expected the understanding of the projects objectives should be shared in all types of partnerships regardless of the geographical distance. Nevertheless, especially in embedded application and infrastructure management partnerships we found a higher importance for the understanding of the respective vision, which goes beyond the understanding of the projects objectives. While managers of independent partnerships and ISD projects joked about the belief in a shared vision (e.g. K, L), managers of highly embedded partnerships emphasized the importance of a shared vision in which direction both partners want to jointly develop (e.g. C, G). Obviously, the value of a shared vision is perceived to be more important in IT operations than ISD projects. One possible argument could be that the outcome of the discussed ISD projects is more concrete and gets finalized at a specific date compared to IT operations arrangements.

Thus, in independent partnerships the understanding for values und long-term objectives or visions takes a subordinate role in the mutual understanding dimension. Instead, factors like understanding of market behavior or understanding the skills and competencies of the partner become more important. In an example, manager N described a scenario in which the service could not be delivered in time because the provider did not have the necessary documents and identification cards which are necessary to enter the client's facilities. Another manager (M) pointed out the necessity

of reading the national newspapers to be informed about political or governmental changes that can influence the partnerships to that specific country.

Similar to the academic research on relationship quality the dimension of trust has been frequently mentioned as an important aspect of a harmonized relationship. Most interviewees described trust as trust in the reliability of the client/provider in keeping promises and agreements, e.g., that the provider will perform as specified in the contract. The sustainability of trust in reliability depends on the successful achievement of milestones or service delivery – thus the level of actual previous reliability. Thereby, two managers (G, M) differed, with regard to trust, between reliability and competence. They mentioned competence-based trust as an initial trust type of every relationship which will become trust in the reliability if the agreements are fulfilled. One manager (G) noticed the importance of the awareness of both types of trust by describing his following experience: A relationship between an outsoucer and insourcer has been established and maintained over several years in one specific service type. Because of the high level of trust (here reliability) the partners agreed on expanding the portfolio of service delivery without noticing that the insourcer was not able to adequately deliver the service because of missing competence. This example shows that any relationship constellation should begin with trust in the competence, which can later transform into trust in the reliability (Table 5).

Table 5. Configuration of trust

Type of partnership	Geographical distance	Type of service	RQ dimension: trust
Embedded partnership	Farshore	ISD	Reliability
		IT Ops.	Reliability
	Nearshore/Onshore	ISD	Reliability
		IT Ops.	Reliability
Independent partnership	Farshore	ISD	Reliability
		IT Ops.	Predictability
	Nearshore/Onshore	ISD	Reliability
		IT Ops.	Predictability

While we did not find any conspicuousness in the descriptions of trust in embedded partnerships, there are two interesting arguments provided by managers responsible for independent partnerships. The first one, responsible for the management of infrastructure services, mentioned that he does not only want a reliable partner but a predictable one (N). Instead of only relying on the partner, the concept of predictability includes the possibility of assessing the partner’s reaction in different situations. The interviews indicate that the demand for this type of trust is more common in standardized service delivery in independent partnerships while in other configurational patterns the volatile environment confirms reliability as a major characteristic of sustainable trust. Competence-related trust on the other hand has been mentioned as being important in all configurational patterns.

In the second argument, one senior manager (H), who is responsible for independent partnerships, even stated the dimension of trust as not being as important as other factors in a successful partnership: “I found this factor a little bit too romantic. It is all about business. The major part of the discussion is: where have you done this previously? Show me that you are able to deliver adequately.” This statement could be interpreted as a characteristic of an independent or distant partnership. Nevertheless, it can be questioned if this interpretation of trust results in a more successful relationship than independent but fully trusting relationships.

Section 4.1 describes commitment as a dimension which includes identification, sense of obligation, and can be expressed by going the “extra mile” (i.e. performing better/more than contractually specified). The major content of the discussion during the interviews provided the characteristics of identification. The practitioners partly disagreed about what needs to be identified. While all interviewees agreed that there needs to be identification with the task, especially the managers responsible for embedded partnerships additionally highlighted the importance of identification with the client (e.g. C, F, J). In this context we found two competing statements. One manager, being responsible for a highly embedded and long-term partnership, stated that “if an employee who works for us receives his paycheck from the provider, s/he should still feel like one of our employees” (D). Another manager, being responsible for a large number of independent sourcing partners, argued that “everybody gets his/her paycheck every month and consequently knows for whom s/he is working for.” (G). The latter manager also stated that the belief in identification with the client is a “misconception”. Another manager (M) considered that identification does not play a crucial role in their organizational partnerships but also mentioned that he can imagine great importance in close sourcing arrangements like joint ventures. This notion was confirmed by several other interviewees: The closer the relationship is the more important identification with the client gets. This argument does not change when involving the geographical distance. The importance for identification still remains the same if the embedded partner is located in Poland or in India. The difference between farshore and nearshore in this context is that in farshore outsourcing providers identification with the client is much more difficult to achieve and influence than in nearshore or onshore partnerships (F). Nevertheless high identification with the client’s organization or brand supports an embedded partnership in farshore, nearshore and onshore projects. An interviewee (F) in this context mentioned that in an ideal relationship the provider identifies with the client’s brand while the client identifies with the collaborative task (Table 6).

Another aspect addresses the question if a partner is committed to perform more/better than specified in the contract – is he/she going the extra mile? Statements which confirm this question have been found mainly in the interviews with managers that are involved in embedded partnerships managing applications and infrastructure. Managers from other configurational patterns commonly mentioned that this aspect is either not expected or that in practice this “overfulfillment” will never happen. In contrast two managers of the embedded partnership pattern even stated that the request for the extra mile is postulated from the client and that a fully committed provider always tries to deliver some extras and more than expected (D, I).

Table 6. Configuration of commitment

Type of partnership	Geographical distance	Type of service	RQ dimension: Commitment
Embedded partnership	Farshore	ISD	Client/Task Identification
		IT Ops.	Client/Task Identification; Extra Mile
	Nearshore/Onshore	ISD	Client/Task Identification
		IT Ops.	Client/Task Identification; Extra Mile
Independent partnership	Farshore	ISD	Task Identification
		IT Ops.	Task Identification
	Nearshore/Onshore	ISD	Task Identification
		IT Ops.	Task Identification

The last characteristic is the sense of obligation. The practitioners that raised the importance for that aspect are located in different configurational patterns for which reason we could not find a contextual change in this characteristic. Thus we assume that this characteristic is an equally important feature for any harmonized relationship.

Configuration of Communication. Similar to the previous three dimensions, the communication dimension has been raised as one of the most important aspects in RQ. Considering communication quality factors like open communication and effective problem solving processes, we could not find specific or reliable differences related to the different configurations.

Nevertheless, especially when focussing on farshore projects we determined some specificities in which there should be a greater awareness than in onshore or nearshore cases. Due to the geographical distance, workgroups that work in different time zones have more problems in the communication than closely located teams. One interviewee mentioned that in some cases the partners or workgroups “could not even say ‘Hello’ to each other because of the time differences” (O). Thus, farshore projects need higher attention in the implementation of a sufficient level of communication frequency. Another interviewee stated that the most important aspects in project (here embedded farshore ISD projects) is to be on site where the project happens. He proclaimed emails as the worst invention of our modern time due to the high number of misunderstanding caused by email communication.

Second, the language skills can differ between several countries. A project manager (J) stated that one important aspect in the selection of project members is “that I can basically understand the person on the other end of the telephone”, which is often an issue in farshore countries like India or China.

Even though we found some aspects that differ between farshore vs. nearshore and ISD vs. IT operations when focusing on communication intensity and channels we could not find reliable differences in the importance of different characteristics in the various configurational patterns.

Configuration of Fairness. Fairness is especially formed by the collective ambition of a joint win-win situation. If one partner tries to maximize the own outcome by minimizing the partners outcome there will not be a harmonized and balanced partnership in any configurational pattern. Thus, the presence of a win-win situation is important in any partnership constellation. Similar findings have been exposed in the characteristic of consideration of the situation of the partner. There exists agreement that a fair partner has to consider changes of the partners market or political environment in the negotiations and decision making which affects the partners.

Another characteristic is the provision of forbearance. The interviewees commonly agreed that forbearance only can exist if there is a truthful relationship and problems have been previously addressed in an open manner. Only one interviewee stated that this characteristic is not relevant in a relationship because “you learn from mistakes and if there are no consequences you do not learn” (N). In another interview a global sourcing manager (C) argued that it depends on the type of mistakes and the preferences for the project. If the project is really important for the client there will be less forbearance than in projects of lower importance. Because the results on this characteristic have been very mixed, we argue that the provision of forbearance depends first of all on the preferences of the client and second on the level of trust and efforts of the provider to find a quick solution for the problem. These findings are independent to the configurational partnership patterns.

5 Contributions and Limitations

Our results show that the role of some of the RQ dimensions strongly depends on the respective contextual situation. The most crucial differences were identified for the dimensions of mutual understanding and commitment. This study highlights the importance for the consideration of context factors when developing research studies on relationship quality. For example, when focusing on commitment it could be an insufficient question to ask representatives of embedded partnerships for their level of task identification. On the other hand, if independent partners mention a low level of client identification it does not necessarily mean that the partners are not committed to the relationship.

In the following, we summarize and discuss the key results which showed up from our configurational analysis

Understanding the partner’s values is more important in embedded teams than in independent teams. In embedded partnerships, the focus on understanding the partner’s values is generally higher than in independent partnerships. One reason is that the partners in such relationships have informally agreed on working closely together for a longer period of time in more complex or in multiple projects. Especially the type of projects (long duration, high complexity, and high importance for both partners) requires a highly aligned team that understands each other’s preferences, strategies and values. Cannon-Bowers and Salas [20] described this requirement as a perfectly aligned basketball team in which every player knows exactly where their team members will stand in any situation. The importance of understanding the values in embedded teams

has been proven by Chua, Lim, Soh and Sia [21] who analyzed the influence of teams' social capital on the effectiveness of clan control. The authors showed that in a highly embedded team there is a need for a high level of social capital – i.e. sharing the same values etc. Our findings now show that there is a concrete linkage between team embeddedness and importance of understanding and sharing the team's values.

The types of values differ when changing from nearshore/onshore to farshore projects. When considering geographical distance, we can differ between country-related values and personal values developed from individual experiences. While in nearshore projects the country-related value differences are a minor issue but only the personal values stand in focus, farshore projects imply the complexity of personal *and* country-related values.

Commitment to the project tasks is necessary in any partnership; commitment to the partner should be present in embedded teams but not necessarily in independent partnerships. Besides the understanding of the values and preferences of the team members, every worker should be committed to the partnership and not only to the project goals. Based on the statements of one manager with experience of more than 22 years in outsourcing projects, this commitment to the team is more difficult to manage and achieve in farshore than in nearshore projects.

Willingness to go the 'extra mile' is postulated in some partnerships but not even expected in other partnerships. When including the type of service in embedded partnerships, we found higher presence of the clients' request *and* the providers' commitment to 'go the extra mile' (perform better than contractually specified) when focusing on IT operations. Clients responsible for farshore projects or independent partnerships consequently experienced that this kind of commitment does not happen in practice and thus they do not request and expect the 'extra mile'. These are just some examples for the importance of contextual inclusion in research projects on outsourcing relationship quality.

Limitations. The following limitations need to be considered when interpreting our results. First, referring to the configurational dimensions (type of partnership, geographical distance and type of service) we cannot limit the set of reasonable dimensions to those three. We selected these three dimensions as the critical dimensions based on a literature review, mainly based on six papers [7–10, 18, 19]. Second, in some interviews we had the problem to differ between the current state and the ideal state. We realized this limitation when an interviewee responsible for independent partnerships mentioned that he simply is not interested in the values of his partner and that he does not want the partner to know his personal values. Even in a case of a very independent and anonymous partnership we do not want to exclude the possibility that the understanding or sharing of values can further sustain the partnership and should be understood as an ideal status. On the other hand, several managers have been aware that for example aspects like sharing a vision can be important in some partnership types but clearly explained why this is not the case in their forms of partnerships. Nevertheless, further research should more explicitly focus on the differentiation

between as-is and to-be situation. Third, due to the explorative nature of this study the results could be attached with subjective statements. To overcome this limitation we suggest richer case studies that involve multiple stakeholders and perspectives during the data collection.

6 Conclusion

In this study, we analyzed the context-dependent role of relationship quality in outsourcing arrangements. We zoomed into the RQ dimensions and analyzed the meaning and importance of the dimensions' characteristics with different contextual partnership configuration. The results are based on 16 explorative interviews with leading outsourcing managers from different industries. First, we provided a general, practitioner-related conceptualization of relationship quality. Then, we established a configurational framework which facilitates the categorization of different forms of relationships. The categories are (1) type of partnership, (2) geographical distance, and (3) type of service. In a last step, we merged the generic conceptualization of RQ with the configurational framework patterns. Thus, we could highlight different key aspects when varying the configurational partnership pattern.

Due to the explorative nature of this study the findings provide only a first insight into the change of key aspects in the different partnership patterns. To further validate these findings, a more structured and theory-driven approach is needed. Methodologically, we suggest either several case studies in which different project-related partnerships are observed or a structured survey across multiple types of outsourcing arrangements and other contextual aspects.

Overall, our study helps to gain more detailed insights into the configuration of the relationship quality dimensions. We could show that the detailed conceptualization of the RQ dimensions highly depends on the contextual situation within the specific outsourcing arrangement. We developed a generic framework (Sect. 4.2) which can be applied to analyze and compare relationship quality in the most common types of outsourcing arrangements. This generic framework can be applied to different scenarios and in turn enables researchers to understand and explain diverging results of different studies. Moreover, it will allow practitioners to gain comparable insights into all different outsourcing efforts of their organization.

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