

DOCTORAL PROGRAMME

A STUDY OF THE GUARDIAN VENDOR ROLE IN IT MULTISOURCING

By

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INDIAN INSTITUTE OF MANAGEMENT
BANGALORE

2021

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A Dissertation submitted in Partial Fulfillment of the Requirements for the
Doctoral Programme of the

INDIAN INSTITUTE OF MANAGEMENT BANGALORE

2021

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Dedicated to my late Father, P S V Narayana Babu, Mother, P S Uma Devi and Sister, P S Kavya.

My PhD journey would not have been possible without their love and support.

Acknowledgement

I would like to express my heartfelt gratitude to my dissertation advisory committee, for guiding me through this long dissertation journey and ensuring a smooth defense even amid the pandemic. My dissertation would not be possible without their constructive and thought-provoking feedback and comments throughout my journey. They have helped me learn and grow to be a researcher.

I would like to thank Prof. Rajendra K Bandi for firstly leading me into pursuing the Guardian model as my topic. He has been a great advisor and a tremendous mentor to me all through. He has always nurtured and nudged me to push my limits and adhere to high standards. He has also allowed me the flexibility to situate my ideas in reference disciplines and bring in the required modifications in the study design from time-to-time. I am forever grateful to him for the countless discussions on the dissertation research - including in the formative days, for being very patient with me all through to the end, and helping keep up my enthusiasm. He has always encouraged me to be open to critique, seek feedback from multiple sources and sharpen my study.

I am extremely grateful to Prof. Rahul De for his expert guidance. He has significantly motivated my interest in pursuing qualitative research right from my coursework days. His exceptional advice on my topic and methods at various stages of my dissertation, has helped me both identify and address the gaps in my epistemology, data gathering strategy and overall research design. His valuable feedback has helped bring more sharpness in my writing, flesh out the core findings of the study and bring clarity to my arguments. These have tremendously improved the overall quality of my dissertation.

I am highly grateful to Prof. Abhoy K Ojha for his guidance on the choice of agency theory as the foundation for my study. Our initial discussions were very instrumental for me to visualize and appreciate the value that the agency view could bring in for this research. Using agency theory has helped provide a more precise problem formulation for multisourcing governance and has opened up the possibilities for more significant contributions from this study.

I am also very grateful to the current Doctoral program chair, Prof. Harita Saranga, and the past Chair, Prof. Rejie George Pallathitta, for being considerate and extending tremendous support during my PhD. My thanks to Ms. Ashoka Nag, Ms. Anjali (Retd. executive, FPM office), Ms. Shilpa Puttaramu, Mr. Srinath and Mr. Shankarappa, of the doctoral program office, for their considerate support all through my PhD. I also thank the library staff and computer centre staff for their offline and online support even during the challenging pandemic times.

I am immensely grateful to all my friends who have been a source of great strength to me all through my PhD journey. My heartfelt thanks to Jyoti who has been a great friend, critique and a patient listener and reviewer for much of my work. I am very fortunate to have met my dear friends Ravi and Neena, who have always been there to help me out, be it reviewing my research proposal, helping with industry

connects, and being part of many other discussions till my dissertation completion. Many thanks to my dearest friend Abhipsa, who has always allayed my fears, lifted my spirits in any difficult situation, and shared so many of her learnings with me, both about life and research. Thanks to all the IS area PhD students for keeping this journey lively. My thanks to all PhD seniors and peers, Ravi, Laxmi, Lewin, Krishnan, Anurag, Vivek and many more who have been a source of constant inspiration.

I would also like to express my heartfelt gratitude to Mr. Venkatesh Balakrishnan, Manager, CSITM, IIM Bangalore, for his generous help in connecting with innumerable industry connects for my dissertation research. He has also spared his valuable time in discussing his own experiences about IT multisourcing. My sincere thanks to Mr. D Suresh Kumar, ex-Manager, SCMC, IIM Bangalore, for going out of his way and helping me with industry contacts during the pandemic. I am forever grateful to Mr. Balakrishnan and Mr. Kumar for their generosity. I would like to express my gratitude to Vivek, Mr. Arman Saleh, Dr. Pallabh Saha, Ms. Arati Mekeraj and many industry experts, whose names I cannot disclose due to confidentiality, for their direct or indirect help with this research. I am very grateful to them for sparing their time and insights despite their busy schedule amid the pandemic.

The pandemic has given me new friends, and I have rejoiced in their friendship despite being 'at a distance'. I am very thankful to Anupama for bringing in so much positivity with her lively conversations. IIMB has given me the opportunity to meet so many bright and resourceful PhD students, whose enthusiasm is highly infectious and inspirational.

I thank my sweetest childhood friends Sowmya, Kiranmai, Sree Lakshmi, Ramya and the SPARKS for believing in my abilities even in the toughest of times, keeping alive the fun and celebration in my life, and pushing me to succeed in this PhD journey. Their unsullied love and friendship keep me grounded.

It is my family's persistent encouragement, nurturing and their faith in my abilities, which have helped me overcome many huge obstacles in my PhD journey. I am filled with gratitude to God for blessing me to be part of their lives, and I hope to pay forward the love, kindness and compassion that I have received in my life. My gratitude to God and all my Gurus.

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Key Acronyms in this Dissertation

ITM	IT Multisourcing
DR	Decision rights
DMR	Decision management rights
DCR	Decision control rights
DIR	Decision input rights
MSA	Master Services Agreement
SOW	Statement of Work
SLA	Service Level Agreement
OLA	Operating Level Agreement
MSI	Multisourcing Service Integrator
SIAM	Service integration and Management
ITIL	Information Technology Infrastructure Library
VITA	Virginia Information Technology Agency
Texas DIR	Texas Department of Information Resources

Abstract

The current dissertation is motivated by the problems persistent in IT multisourcing governance. IT multisourcing (ITM) refers to the provisioning of IT services to a client by multiple IT vendors wherein interdependencies exist among the vendors with respect to their tasks and service delivery. ITM has become a dominant trend in the recent times owing to its several perceived benefits over single-sourcing. The current industry thrust on digital transformation and cloud technologies also appears to be fuelling the ITM trend. However, the complexity of ITM owing to vendor interdependence leads to significant challenges such as difficulty in ensuring collaboration among competing vendors, lack of accountability in overall service delivery, increased moral hazards and difficulty in their detection, and finger-pointing among vendors. Governance is deemed crucial to deal with the challenges of ITM and to ensure smooth delivery of end-to-end services. The practical challenges of IT multisourcing (ITM) have prompted the client organizations to adopt the Guardian model, wherein a vendor (the ‘Guardian’) takes over the responsibility of managing the multiple vendors. Literature broadly refers to the Guardian’s role in ITM governance, yet the Guardian’s role is under-theorized. The practical manifestation of the Guardian’s role, the core activities, and the influence of the Guardian is a black box. The debate in the literature on the Guardian’s role as well as on the implications for joint-vendor performance drive the need for an investigation of the core activities of the Guardian vendor. The dissertation addresses the following research question: *What is the role(s) of Guardian vendor in ITM governance? Which conditions influence the delegation of this role(s) to the Guardian?* The dissertation redefines the ITM governance problem as the problem of decision rights allocation and control. It provides a novel conceptualization of the Guardian’s core activities as the exercise of ‘decision rights’ related to contractual and ex-post governance in ITM. The dissertation follows a two-stage qualitative research design. In stage-1, in-depth exploratory interviews of the key stakeholders of the Guardian model across multiple ITM engagements are carried out to draw from practical knowledge. Findings pertain to the patterns of delegation of decision rights to the Guardian in terms of the decision domains and categories of decision rights, which showed differences in IS development and IS maintenance contexts. The stage-2 research follows a multiple case study design. Overall findings reveal the core activities of the Guardian across multiple decision domains related to strategy, business, contract, process, technology and task. Further, differences have been identified in the patterns of decision rights allocation in terms of the categories of rights (decision control, decision management and decision input rights) with respect to different decision domains and in different hierarchical levels in ITM governance. The study provides explanations for delegation and the different patterns of delegation, and contributes to the decision rights as well as the overall ITM governance literatures. Key implications for practitioners are also identified. The framework of decision rights and decision domains for ITM governance, can be used as a tool to identify areas amenable to the Guardian’s involvement. Practitioners must assess these areas from the viewpoint of knowledge-agency trade-offs, and the

coordination and specific knowledge requirements to consider delegation. The study also offers guidelines for monitoring and controlling the Guardian's activities under non-optimal delegation to the Guardian.

Keywords: IT outsourcing, IT Multisourcing, Guardian vendor model, governance, contracts, decision rights, delegation