

2. Methodology

2.1 Structure of the Methodology Chapter

This chapter is supposed to describe the methodological process that is employed during this paper. The methodological approach of this research project is based on the model of Hernández Sampieri, Fernández Collado and Baptista Lucio (1998) and comprises nine steps to be followed:

- I. Research Problem
- II. Research Objectives
- III. Type of Research
- IV. Process of Data Collection
- V. Data Collection
- VI. Procession of Data
- VII. Presentation of Results

As the research problem and the specific research objectives have already been presented in the first chapter, step I and step II are now omitted.

2.2 Type of Research

The type of research used in this academic paper can be categorized as applied research. In other words, knowledge is gained for the resolution of a specific problem or situation (Hernández Sampieri, Fernández Collado, & Baptista Lucio, 1998). In this work, the literature review is aimed to identify Latin America's current position in the service outsourcing market. Besides closing this existing gap in

literature, another purpose of the extensive research is to provide sufficient information for the recommendation of the final region-specific modifications and adjustments.

Furthermore, the research can be categorized as a descriptive research as it describes the different properties, aspects, dimensions and components of a specific phenomenon. Still, to a certain degree this research project also contains elements of an exploratory research. This is due to the fact that the phenomenon of international service outsourcing is not profoundly investigated yet (Hernández Sampieri, Fernández Collado, & Baptista Lucio, 1998). Moreover, the information available about this topic is still widely dispersed. Consequently, this research comprises the most important information and gives a significant insight into this quite maiden topic.

2.3 Process of Data Collection

The process of data collection for this paper has been particularly challenging. This is due to the fact that valuable data concerning international service outsourcing appears to be widely dispersed and hard to find. This is a result of the still missing standardization of the term outsourcing. Consequently, journals, articles and papers tend to use different terms such as service offshore outsourcing or just offshoring of services to refer to the same international service outsourcing phenomenon.

In order to piece this puzzle together and to obtain the desired information, a special procedural method was needed. The applied method in this paper was to always study the bibliography or references of the consulted working papers. The indicated references often led to other valuable papers. Soon, this method turned out to be much more effective and time-efficient than searching directly for the respective key terms on the Internet. Along with more and more technical literature being studied, a good insight on this phenomenon was gained. But more than this, the same data or findings started to be repeated within the consulted literature.

This fact showed two things: First, the cited sources had to be particularly valuable and, second, the literature review was about to come to an end as the puzzle was almost pieced together.

The most valuable information of this data collection process is now presented in the literature review in order to depict in a more comprehensive manner the current situation of the international service outsourcing sector. Consequently, the lack of a scientific paper, providing a good overview of the most important facts of service outsourcing is overcome.

2.4 Data Collection

This section points out the key sources of data used in this paper. As this research project does not include interviews or any questionnaires, solely secondary data is listed. The most important sources for this work are:

- The International Monetary Fund (IMF), intergovernmental organization: Presents critical and precise data concerning the biggest service outsourcers¹ and insourcers of the world.
- United States Industrial Development Organization (UNIDO), UN specialized agency: Provides important information about emerging outsourcing issues as well as about the particular role of China and India within the international outsourcing market.
- Duke University Center for International Business Education and Research (CIBER), university research center: Provides reliable data about the different types of services being outsourced.
- A.T. Kearney (ATK), global management consulting firm: Evaluates the most attractive service outsourcing destinations on the basis of the latest information available and presents the final results in the form of rankings.

¹ In this context, outsourcer and insourcer refers to a country

- SourcingLine, US services firm: Equally evaluates countries' attractiveness as a platform for international service delivery and provides a correspondent ranking.
- Gartner, information technology research and advisory company: Conducts a comprehensive study about global offshoring and outsourcing hot spots and lists the 30 countries most suitable for the respective provision of IT and IT-enabled services.
- Ernst & Young, professional services firm: Provides critical information about the current situation of shared services centers in Latin America.
- CIO, IT magazine: Publishes articles and supplies valuable information about the most significant IT trends, such as cloud computing.
- Outsourcing2india, Indian services provider: Provides information that permits gaining insight into the Indian in-and outsourcing market.

2.5 Proccession of Data

The retrieved data has been processed in a way that respects the timeliness of this paper. Consequently, many sources have not been included as the presented findings tended to be already obsolete. However, this was only done if comparably reliable, but more recent information about the same aspect was available.

Moreover, it was intended to only include information that strictly refers to the international outsourcing phenomenon, thereby excluding the closely linked offshoring option. This has been done in order to obtain the highest possible degree of accuracy. However, to process the information in this manner has finally turned out to be extremely difficult as many authors deal with the topics of offshoring and international outsourcing at the same time. Nevertheless, in the vast majority, the presented data in this paper solely refers to international outsourcing.

2.6 Presentation of Results

The results of this research are presented in the literature review as well as in the paper's discussion. Due to the complexity and extensiveness of this paper particularly important findings are recapitulated also in latter parts of this work. The findings of these two chapters finally constitute the foundation of the fifth chapter of the thesis, where the proposed modifications and adjustments are presented.