

## 6. Recommendations for Further Studies

As a wide range of information has been read and analyzed during the development of this paper, significant voids in the respective literature could be identified. This chapter highlights those aspects that have not yet been sufficiently studied but that definitely deserve more (scientific) attention.

One aspect that has been scarcely studied so far concerns the microeconomic dimension of international outsourcing. In this context, it would be particularly interesting to know to which extent jobs of insourcers are constantly upgraded through the transfer of progressively higher levels of technology-intensive operations. Referring to this, it would be very valuable to also include a time line. Consequently, the increase of the insourcer's knowledge in relation to the duration of the service contract could be measured. However, this type of evaluation would require the design of highly sophisticated measurement tools. As companies such as A.T. Kearney have already gained substantial experience in this area, it is recommendable that they start studying these aspects. However, the provided information will definitely arouse great interest in the outsourcing sector especially because the area of knowledge process outsourcing (KPO) activities is likely to grow further in the years to come (see chapter 4). Moreover, many shared services centers might decide to open up and to provide services also to external customers if they see that substantial increases of know-how can be reached by this process. Furthermore, the provided data could also be useful for the already existing service providers. As investors notice that service providers can be rapidly upgraded and are likely to move up the value chain, they might agree to supply the respective financial resources for further investments.

Besides, it would be particularly interesting to obtain more detailed information concerning the correlation between international service outsourcing and labor market effects. As mentioned in first chapter, this correlation has already been studied by Amiti and Wei (2004). Nevertheless, this study has a limited validity as it strongly focuses on the labor market effects in United Kingdom. Moreover, the

presented data has been retrieved in 2002. In this context, it would be interesting to actualize the data and to focus the study on emerging markets such as Mexico or Brazil. This work would preferably be done by organizations such as the IMF or the World Bank Group as they tend to dispose of the necessary macroeconomic data. If the results show positive effects governments might attach more importance to outsourcing and begin to support this sector. This would represent very good news, especially for Latin America.

In addition to the previous aspects, more (precise) information is also needed concerning insourcing countries. As shown in the literature review, some rankings about outsourcing destinations are already available. The creators of the data evaluate the most attractive insourcers and finally determine which countries are best suited for international services provision. Nevertheless, they do not yet distinguish the type of services. Consequently, rankings refer to general services delivery. But in view of the wide range of services that is already outsourced such a distinction is essential. Accordingly, it is not the same to give away a company's contact center than to outsource core activities such as product development. Indeed, the nature of outsourced services can greatly differ. Therefore, country rankings divided by service types have to be generated. This would help outsourcing companies to select the insourcing country that is best suited for the delivery of the desired service. Consequently, advisory firms such as Gartner and A.T. Kearney should start working now as many companies might just be waiting for this information to finally take the step of outsourcing.