THE ROLE OF RESOURCE BASED VIEW AND TRANSACTION COST ECONOMICS IN OUTSOURCING DECISION AND IMPLEMENTATION – METHODOLOGICAL AND RESEARCH PARADIGMATIC REVIEW

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Summary

The historical heritage for the adoption of outsourcing concept is attributed to cost savings. Gradually, outsourcing concept has moved beyond the cost saving measure to a strategic theme wherein evaluation of core competency, competition and resource framework has become important criterion in outsourcing. This article examines the academic literature to do a comprehensive assessment of research activities regarding the role of theoretical dimensions like resource based view and transaction cost view in outsourcing strategy. The objective of this article is six fold. Firstly, it examines the basic theme of Outsourcing, TCE\(^1\) and RBV\(^2\) theories. Secondly, it determines the methodology review framework and data collection approach to do comprehensive assessment and synthesis of research activities till date. Thirdly, it undertakes the analysis and interpretation regarding status of RBV and TCV in outsourcing strategy from 1991 to 2009 across nineteen academic journals, to evaluate and compare the current and past research trends in terms of methodologies applied. Fourthly, it compares and contrasts the role of theoretical disciplines during different stages of outsourcing strategy (decision making versus implementation). Fifthly, it compares the published outsourcing research and trends of work regarding the increasing importance of RBV and TCE together as a criterion for outsourcing strategy rather than individually. Finally, it uncovers the implications of this study and the directions for future research.

**Keywords:** RBV; TCE; outsourcing strategy; qualitative research; quantitative research; research paradigms; outsourcing decision

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\(^1\) TCE refers to Transaction Cost Economics theory.

\(^2\) RBV refers to Resource Based View theory.
1. **Introduction**

Outsourcing is a much talked about phenomenon across the world today. In fact, the evolution of outsourcing phenomenon from 1950s till date has gone through the various stages of inception, slow growth, skepticism, resistance, rapid growth to become one of the core components of the global business strategy in most of the firms today. This is one of the most talked about areas in business world and academia. *Outsourcing* is defined as the sub-contracting of certain business processes or functions to external parties. This became part of the business lexicon during the 1980s. This really started from the perspective of cost saving strategy by sub-contracting the non core or routine business functions/processes to external parties. Gradually, outsourcing has moved beyond the cost saving focus and is considered today as a critical decision for any organization to sustain in the global competitive world.

The decision whether to outsource or to do in-house is often based upon achieving a lower production cost, making better use of available resources, focusing energy on the core activities of a particular business, or just making more efficient use of labor, capital, information technology or land resources. This has virtually spanned across the entire value chain of the business organizations (manufacturing as well services sector) and anything and everything has been evaluated as a potential candidate for outsourcing today?

Lots of literature is available on the different aspects of outsourcing like *What to outsource, Why to outsource, Where to outsource, How to outsource, When to outsource, Outcome of outsourcing – success or failure, How to measure the success or failure etc.*

What is considered as a core activity of the value-chain in any business today will be considered as a non-core activity of the value-chain in the same business tomorrow. The business dynamics are changing everyday and what one perceives as ‘core’ today may no longer be a differentiating factor tomorrow and vice-versa. This really brings forth, the need and desire to understand the basis of all these decision-making going around outsourcing phenomenon.

The researchers have embraced numerous theoretical disciplines to understand this complex phenomenon rather than judging this by one theoretical background (Hatonen and Eriksson 2009). The origin of theoretical dimension of outsourcing decision lies in Transaction Cost Economics theory (TCE), which focuses on the cost-advantage as evaluation criteria to outsource or not. Subsequently, with the focus moving from cost base to resources, knowledge and competency, another theoretical concept has gained prominence. This is Resource Based View (RBV). Both these theories have played a prominent role in shaping the outsourcing strategy (What, Why, When, How, Where etc) despite having a divergent focus. From strategic intent, the organization activities across the value-chain can be categorized into commodity, basic, emerging and core activities (Insinga and Werle 2000). Depending upon the theoretical discipline being applied, any of these categories becomes a potential area for outsourcing. The most important question over the last two decades has been what and where to outsource? Different theories have recommended different criteria for ‘What’ to outsource over the last two decades. While resource based theory focuses on competition and organization objectives etc, transaction cost theory focuses on the coordination and governance aspects of transactions involved.

The main objectives of this research article are the following:
• To undertake the literature review to examine the basic theme of Outsourcing, TCE\textsuperscript{3} and RBV\textsuperscript{4} theories.
• To determine the methodology review framework, data collection and methodology review – analysis and interpretation. The objective is to understand existing research studies being undertaken regarding the role of resource based view and transaction cost view in outsourcing decision, across the major journals, during the last two decades.
• To comment on the future implications and directions for the same.

2. Literature Review

2.1 Outsourcing
Outsourcing is commonly defined as transfer of the in-house business functions/services to an external party. This phenomenon started getting recognition in the business lexicon from 1980s though it existed in all forms of businesses since 1950s and before. Since then, there has been an outsourcing revolution, which has changed the way, the firms compete in diverse manufacturing and service industries. Behind every decision to outsource, the main motivation for the firms is to remain competitive and gain the competitive edge over the competitors by reducing production cycle time, reducing production costs, reducing time to market, improving product and service quality and enhance overall organizational effectiveness (Gilley, Greer and Rasheed 2004).

This results in partnerships, collaborations or outsourcing to substitute for in-house capabilities (Insinga and Werle 2000). The increasing significance of outsourcing in overall business strategy is posing as an opportunity as well as a challenge for many traditional, integrated organizations (Baden-Fuller, Targett and Hunt 2000). The key issue today is that on what basis, one should decide what activities or business processes should be outsourced. Is it peripheral activities or important but non-core activities or core activities or something else. On one hand, outsourcing the core activities makes the organization flexible and leaner but on the other hand, this may lead to the risk of loss of competencies to rivals. The chief argument is that the organization may lose its competencies, and become hollow (Prahalad and Hamel 1990).

Before the realization of outsourcing wave in business world, most of the organizations used to be vertically integrated units, wherein, backward and forward integration of all activities and processes of the value-chain was considered as a competitive edge. For example, the major players in the computer industry like IBM, DEC etc used to operate like a vertical organization by building their own CPUs, OS, application software, chips etc and selling that as a complete solution (Grove 2003). The margins were good and entry barriers for any new competitor were very high. However, today, scenario is completely different. The market is horizontal. There are different leading players for chips (Intel), OS (Microsoft etc), processor (Intel, HP etc), application software (Microsoft, Oracle etc). The focus of the organizations has shifted from end to end computer manufacturer to service provider or integrator. The industry paradigm has shifted from vertical organizations to horizontal organizations. The outsourcing phenomenon has evolved as transaction focus, resource focus, relationship focus and market focus. Each of these waves of outsourcing has led to dynamic changes and has redefined the form, culture and competitive aspects of involved organizations, thereby affecting the existence of leading organizations and emergence of new type of organizations.

\textsuperscript{3} TCE refers to Transaction Cost Economics theory.
\textsuperscript{4} RBV refers to Resource Based View theory.
2.2 Research Areas in Outsourcing
The outsourcing research has undergone a lot of transformation and has tried to look into all the aspects which can act as drivers for the success or failure of the outsourcing relationship (Lee, Huynh, Chi-wai and Pi 2000).

2.3 Theoretical Models of Outsourcing
According to Runder (1966), Theory is “a systematically related set of statements, including some law like generalizations that is empirically testable”. The history of outsourcing has seen the application of various theoretical disciplines in different research areas of outsourcing. A combination of different theoretical disciplines has been studied by different researchers to answer the different aspects (What, Why, Where, When, How, Outcome etc) of outsourcing (McIvor 2009).
Transaction Cost Economics (Coase 1937; Williamson 1981) has been one of the most widely used theoretical disciplines from economic perspective, in outsourcing area of research. Transaction cost theory seeks to explain why firms exist and how to determine the boundaries of the firms (Coase 1937)? The TCE theorists perceive the transaction cost as a decisive criteria to outsource or not. The transaction cost theory is based upon asset specificity, transaction frequency and uncertainty. This theory has been one of the main doctrines to explain the philosophy behind “Why to outsource?”

As the wave of outsourcing progressed from cost based economics to strategic source of competitive advantage, resource-based view came into prominence. Resource-based theorists consider that firm is a unique bundle of assets and resources. The fundamental principle of the RBV is that the competitive advantage of a firm depends on the application of the bundle of internal resources, which are Valuable, Rare, Inimitable and Non-substitutable (Wernerfelt 1984; Rumelt 1984).

The next section highlights the Methodology Review framework, Data Collection and Methodology Review – Interpretation and Analysis.

3. Methodology Review Framework
The scope of this paper involves the methodology review of research articles related to the role of theoretical dimensions as transaction cost economics and resource based view in outsourcing decision. The articles have been reviewed on the basis of the dimensions and categories as highlighted in the Appendix 1. Please refer to the same for understanding the parameters involved in the methodology review and their related definitions.

4. Data Collection

Due to the kind of attention gained by outsourcing phenomenon in last two decades, there is large number of research articles related to outsourcing, in large variety of journals. Based upon literature survey, it becomes evident that there is a limited research being carried out related to the influence of theoretical disciplines on outsourcing decision. To get the overall pulse and feel of research happening in this area, it has been decided not to limit the scope of research articles from limited number of journals.

The approach being used, has been to carry out the wide research across ABI/INFORM Global and EBSCO databases, which are widely recognized in Business Administration and Economics area. The search patterns being used to query ABI and EBSCO databases, include Outsourcing and Strategy or Strategic dimensions of outsourcing or RBV and Outsourcing or TCE and Outsourcing or Outsourcing strategy and Resource Based View or Outsourcing Strategy and Transaction Cost Economic etc.

Apart from these search patterns, search is also made on individual patterns like Outsourcing, RBV, TCE, Theoretical disciplines etc for getting a better understanding of different school of thoughts on Outsourcing, RBV, TCE phenomena. Finally, after undertaking search, analysis and sort activities during data collection, 59 research articles have been identified. This include 41 articles related to RBV and TCE perspectives of outsourcing strategy and remaining 18 related to general understanding of outsourcing and

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5 Transaction Cost is the cost incurred in making an economic exchange (i.e., the cost of participating in the market).

6 Resources include all assets, capabilities, organizational processes, firm attributes, information, knowledge, etc; controlled by a firm that enable the firm to conceive of and implement strategies that improve its efficiency and effectiveness (Barney, 1991).

7 Competitive advantage refers to the state, which is attained if the strategy of the firm is value-creating and not being implemented by current or future competitors (Barney, 1991).
theoretical disciplines of RBV and TCE. So, the scope of this paper includes 41 research articles published during 1991-2009.

5. Research Paradigm
The Operations Research Paradigm framework by Meredith, Raturi, Amoako-Gyampah, and Kaplan (1989) has been applied in this paper to analyze the applicability of research paradigms on the study of transaction-cost and resource based perspectives of outsourcing strategy. This framework helps to perform the analysis across 2 dimensions as:

**Nature of Truth** – Axiomatic, Positivist, Interpretive, Critical theory.

**Kind of Information Used** – Direct Observation, People’s Perception, Artificial reconstruction.

6. Analysis and Results
6.1 Journals Representations
The articles, which have been selected for this methodology review, lie within 1991 – 2009. This overall time-period of 19 years has been divided into four sub time-periods: until 1995, 1996-2000, 2001-2005 and 2006 onwards.

Following are the main observations:
- A total of 19 journals have been referenced for identifying the 41 articles, involved in this study. 56% of the total articles have been selected from Strategic Management Journal, European Management Journal, Journal of Operations Management and Journal of International Management *(Refer Figure 1).* Please refer to **Appendix 3** for Journals details and **Appendix 4** for a snapshot of data collection and analysis.
- Around 47.37% of the selected journals belong to US and remaining 52.63% to UK. *(Refer Table 3).*
- Most of the research contributions have been made by US (53.7%) and European (29.3%) authors *(Refer Figure 2 and Figure 3).*
- There has been a steady increase in number of related articles during the successive years and 41.5% percent of the total selected articles have been published 2006 onwards. This signifies an increasing research focus on the strategic dimensions of outsourcing decision and study of role of RBV and TCE on outsourcing strategy *(Refer Figure 4 and Figure 5).*

Based upon these trends, it becomes evident that there has been an increasing focus and importance being given to the scope and role of RBV and TCE in outsourcing decision. This also reflects the complexity involved in decision to outsource – What, When, Where, Why, How etc.
6.2 Paradigmatic Representations

As seen in Figure 6, the research articles comprising RBV / TCE and outsourcing strategy, have shown an increasing trend towards interpretive approach apart from the positivist approach to explore the nature of truth. On the other hand, direct observation and people perception approaches have been increasingly adopted to collect the kind of information needed for analysis and outcome. The survey research has been categorized under Positivist – People perception category and case study research under Interpretive – Direct observation category and historical analysis (mainly non conceptual articles) has been categorized under Interpretive-People perception category. One of the selected research articles has been found to follow a dual approach of survey research followed by case study research.

Most of the articles published in Strategic Management Journal have followed the Positivist – People perception paradigm. This includes hypothesis framework undertaking survey research as a means of data collection.

Most of the articles published in European Management Journal have followed the Interpretive – Direct Observation and Interpretive – People perception paradigms.
6.3 Outsourcing Stage
Around 70.7% of the research articles have focused on the Outsourcing Decision stage. That is, the main focus has been on What, Why, Who, Where and When to outsource.
Around 39% of the research articles have focused on the Outsourcing Implementation phase. That is How to outsource and Analysis of the outcome (See Figure 7 and Figure 8). Some of the articles have focused on both outsourcing decision and implementation phases.
This gives an indication of the complexity at the decision-making stage of the outsourcing phenomenon itself. One of the reasons being that many of the historical outsourcing decisions have failed to achieve the desired outcome. This has resulted in research trends towards overall outsourcing evaluation (decision and implementation) on the basis of multiple parameters and dimensions. This is what has led researchers to evaluate outsourcing from strategic (RBV) and economic perspective (TCE).
The second reflection from the analysis is that 50% of the research articles have been published 2006 onwards. That means, this research area has got increasing attention in the last 5 years and the trend is expected to increase further in coming years.

6.4 Theoretical Disciplines
TCE and RBV are the most frequently used theoretical disciplines in most of the research articles related to theoretical dimensions of outsourcing. RBV and TCE have been evaluated individually as well as together as an integrated discipline to analyze the impact on outsourcing decision making and implementation.
While RBV is focused on strategic dimension, TCE is more focused on transaction cost and governance dimension. 32% of the articles focused on RBV, 24% on TCE and 44% on both RBV and TCE. This reflects the importance of an integrated framework, which seems to be emerging from the trends.
6.5 Research Approach
There is an interesting trend being found with respect to the Research Approach being adopted in different research articles in different journals. Most of the research articles from Strategic Management Journal have used empirical approach, whereas, research articles in other journals have used a mix of empirical and non-empirical approaches. The empirical approach has been found in 71% and non-empirical in 29% of the selected 41 articles. So, empirical approach is dominant having a mix of hypothesis testing and case study analysis.

6.6 Research Methodology
6.6.1 Research Design
Survey (44%) and Interviews (41%) have been found to be the most widely used approaches in the articles. The Survey Approach has been used mainly, where hypothesis testing need be performed and also as a preliminary stage to prepare research scope during case study analysis. The Interviews (Structured, Semi-Structured, Unstructured) Approach has been used mainly in case-study based articles. Case Study (32%) – Cross Sectional and Longitudinal is an emerging approach in outsourcing field of study. Outsourcing decision and implementation, being heterogeneous and complex phenomena, longitudinal case study is emerging as an effective mechanism to study and analyze different aspects of outsourcing. Action Research (2%) has been found in one of the articles. Experiment and Focus Group have not been used in any of the reviewed articles.
6.6.2 Quantitative vs. Qualitative
These two approaches reflect the kind of data analysis being done for empirical research category. The quantitative approach has been found in 41.5% of the articles and the qualitative approach has been found in 26.8% of the articles. The mixed methods approach has been found in only 2.4% of the articles. This indicates that though quantitative approach is still preferred, qualitative approach is also significantly used, especially in case-study based research. On the flip side, this also reflects the limited use of mixed methods approach. Mixed Methods approach, if used, may lead to better reliability and validity of results / outcomes and will be an effective way of triangulation.

6.6.3 Cross-Sectional vs. Longitudinal
The longitudinal approach has been found in only 17% of the articles as against 83% using cross-sectional approach. Though, the use of longitudinal approach has increased in last 5 years and with the wider adoption of case-study approach, the longitudinal approach is expected to be used more in future. Also, as new theoretical dimensions and constructs like resource dependency view, industrial organization view etc will gain focus in the area of outsourcing research, longitudinal study is going to play an important role.
6.6.4 Data Sources
The primary data has been used in 68% of the articles whereas 32% of the articles have used only secondary data. So, some part of the research related to the theoretical dimensions of outsourcing, is still based upon historical analysis and interpretation of secondary data only.

6.6.5 Testing Framework
The hypothesis framework has been used in 36.6% of the articles whereas 17% of the articles have used proposition framework. Most of the articles during 2001-2005, have used hypothesis testing framework. Most of the articles selected from Strategic Management Journal belong to that time-period. Another finding is that, as case-study approach is gaining ground, proposition framework is being adopted by researchers as a mechanism to propose the framework from the findings of case-study analysis.
6.6.6 Triangulation Approach
The Triangulation Approach has been used by only 15% of the research articles. The use of triangulation seems to be increasing in the last 5 years and given the importance of the same, this is expected to increase further in coming years. As we go deeper in research or as we evolve in a particular research discipline over a period of time, it becomes imperative to have an effective mechanism for validation of results/outcomes.

6.6.7 Data Analysis
Around 41.46% (17 out of 41) articles have used some or another form of quantitative data analysis technique. This technique is more evident in the articles during the period 2001-2005 as compared to 2006 onwards. Among the 17 articles using quantitative data analysis techniques, 31.7% of those articles have used Statistical Analysis followed by Correlation (26.8%), Regression (24.4%) and Factor analysis (12.2%). So, the overall approach for quantitative data analysis, being adopted in different articles, is a mix of Factor analysis, Regression, Correlation and Statistical analysis. There seems to be an increase in the adoption of case-study approach from 2006 onwards. During case-study approach, the widely used data analysis techniques are cross-case analysis, within case analysis and interview transcript analysis.

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8 Triangulation Approach is a cross-examination framework, which involves validation of results / outcomes using two or more research methods/techniques.
7. Implications

The interesting trends have emerged from the overall analysis of related articles. One interesting observation is that 55% of the primary authors belong to USA and 30% to Europe regions. So, the main school of thought and recommendation regarding the Role of TCE and RBV in Outsourcing Strategy is emerging from developed regions, mainly Europe and USA. The organizations in these regions are mainly on the client side of the outsourcing relationship. So, it will be quite interesting to get more thoughts from rest of the world (especially from emerging outsourcing hubs like Latin America, Eastern Europe, Asia like India, China and Taiwan etc) on the theoretical dimensions of outsourcing. That will bring some deeper thoughts and different perspective especially from supplier side of the outsourcing relationship. Another observation is regarding the research paradigms. Though, positivist paradigm is prevalent across the articles, the adoption of interpretive paradigm has shown a steady increase, especially from year 2006 onwards. This seems to be in synchronization with the heterogeneity and complexity involved in the outsourcing phenomenon. The interpretive paradigm has the ability to go deeper in the search for truth/information via case study, action research, intensive interviewing etc and likely to generate extensive information on complex research areas like outsourcing. Another observation is the prevalence of positivist paradigm, hypothesis testing framework and quantitative data analysis (Statistical, Correlation, Regression and Factor Analysis) in the articles from Strategic Management Journal. Another observation is that there is an increasing interest among researchers for studying the theme of theoretical perspectives of outsourcing. 17 out of 41 articles have been published during year 2006 onwards. This signifies the importance being given to the role of theoretical disciplines in overall outsourcing framework both during decision-making phase and implementation phase. Another interesting observation is regarding the theoretical disciplines and Outsourcing Stage. Regarding theoretical disciplines, the point to note is that while, most of the older articles (before year 2005) studied the role of RBV and TCE individually on outsourcing, the focus shifted to integrated study of both RBV and TCE perspectives on outsourcing strategy from 2005-06 onwards. This reflects a growing realization among the researchers that multiple indicators (resource – internal and external, transaction cost etc) need be evaluated together for designing an appropriate outsourcing decision-making and implementation framework. Regarding Outsourcing Stage, 70.7% of the selected articles have focused on decision-making phase (What, When, Why, Where, Who to outsource)

8. Future Research - Directions and Improvement Scope

The concept of outsourcing has gained lot of focus during the last three decades. Though, this area has witnessed a lot of research during the emergence and growth phase, still, given the changing dynamics of competition, dissolution of boundaries across firms, countries and continents and complexities within an organization, there is tremendous scope to explore this further and use this as a means of sustainable competitive advantage. Starting as a cost saving measure by manufacturing firms, this field has spanned the boundaries of the nations and continents. This has been made possible by the rapid advancements in the field of communication and information technologies. Internet has created a virtual web all around the globe and emerging concepts like cloud computing will provide further impetus to outsourcing in a totally new direction. The firms are undergoing transformation from vertical organizations to horizontal organizations to network organizations to virtual organizations. At each of this transformation stage, the dynamics of outsourcing have changed accordingly. Following emerging areas and scope for improvements are likely to happen in the future:
Outsourcing Stage
Outsourcing has two decisive stages:
• Decision Making: What, When, Why, Where, Who to outsource?
• Implementation: How to outsource, Outcome etc

Most of the existing research has revolved around decision making phase of outsourcing, especially what and why to outsource? Probably, this is one of the most important strategic decisions and so, the research being done in this direction is quite justifiable. However, How to outsource and Outcome of outsourcing is equally important. Especially, when, we all know that most of the outsourcing decisions do not result in successful conclusion.

Outsourcing – Vendor Perspective
Most of the existing research articles have focused on client perspective of outsourcing. What, When, Why, Where, Who, How to Outsource etc are all client focus. Given the strategic nature of outsourcing relation and risks involved in outsourcing, it is important to undertake research from vendor perspective. That will help to strike a balance in client-vendor relationships during outsourcing.

Outsourcing Governance and Relationships
This is one of the most challenging aspects of outsourcing. How to govern and manage the outsourcing relationships and How to reduce the risk of loss of competency during outsourcing? The different types of contracts have increased the complexity of governance resulting in increasing overheads and transaction costs. Still, they are not fully successful in managing the risk and relationships. Some of the researchers have tried to analyze the informal relationships and human aspect to answer this question but still there is a lot of scope to explore this further. The Social View of outsourcing needs more focus in time to come.

Measurement and Success Framework
Is the outsourcing outcome a success or a failure? This is defined in different ways in different articles and there is no standard framework to measure the success or failure of outsourcing. This provides a big opportunity for researchers to provide a standard framework or construct to have an objective measurement of success or failure of outsourcing.

Triangulation Framework
Triangulation helps to cross validate the outcomes / findings by applying two or more research methods / techniques. This has been used in a limited manner till now, as is evident from existing articles. This should be used extensively to improve the reliability and validity of findings and outcomes. One of the best mechanisms to use the same is to incorporate Mixed Methods – Qualitative and Quantitative together. This will help to cross-validate the outcomes and will lead to validation and reliability of findings and suggestions.

Longitudinal Study
To have a better understanding of outsourcing phenomenon, there is an evident need for longitudinal approach. Rather than having a snap-shot view for reaching a decision / outcome, it is always better to have a longitudinal view (evaluation at multiple points over a period of time). This will help to have a better understanding of the underlying complexities and enable the researchers to reach a better conclusion. This provides a big opportunity for the future researchers in outsourcing field.
Theoretical Dimensions
From the review of articles, it is evident that there is a growing interest in exploring the theoretical dimensions of outsourcing strategy. Transaction Cost Economics (TCE) and Resource Based View (RBV) have provided a suitable foundation to researchers to analyze and devise a suitable framework for successful outsourcing. There is a huge opportunity for researchers to identify the role of other complementary and contrasting theories like Market Based View (MBV), Resource Dependency Theory (RDT) and Social View etc on outsourcing. Is it possible to improve outsourcing decision making and implementation by integrating the different theoretical dimensions or by providing a framework comprising applicability of different theories at different stages of outsourcing? This is one challenging area of study.

Outsourcing – School of Thoughts from Emerging Countries
As is evident from research articles, most of the contribution towards outsourcing strategy and theoretical disciplines has been made by authors in USA and Europe. There is a limited view-point on the same from emerging economies and outsourcing hubs like India, China, Taiwan, Latin America, Eastern Europe etc. So, this presents a potential research area and will bring more clarity on the outsourcing strategy from different perspective.

Expansion Scope
The current research has been based upon 41 articles selected from a wider range of journals. From theoretical discipline perspective, I have focused mainly on RBV and TCE dimensions. This research can be taken further by expanding the scope in terms of theoretical disciplines (E.g. Market Based View, Resource Dependency Theory, Social View etc) from a pool of wider range of research articles.

9. Conclusion
To conclude, there is an increasing trend among the researchers in evaluating the outsourcing phenomenon and the role of theoretical dimensions. This has evolved as an important research area since 2005 onwards. This paper does the methodology review of 41 articles and reflects the growing trend for understanding the inter-relationship between theoretical dimensions (RBV and TCE) and outsourcing phenomenon. From paradigmatic view-point, interpretive approach is gaining importance among researchers apart from positivist approach. From research methodology perspective, the focus is shifting towards case study approach using within-case analysis and cross-case data analysis techniques. Triangulation and Longitudinal case study are gaining importance for deeper understanding of outsourcing phenomenon and for having a better reliability and validity of results/outcomes. Apart from the methodology review, this article also attempts to highlight the implications and directions for future research in outsourcing area.

10. References


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