

Information Technology Outsourcing in Mobile Telecommunication Industry in Sri Lanka

B.C.B.Perera¹, W M J I Wijayanayake²

The decision of Information Technology Outsourcing is considered to be the survival or failure factor in modern hyper competition environment. This is closely related with mobile telecommunication companies as Information Technology (IT) is considered to be the part and parcel of its industry. However, lack of initiatives to tackle IT operational efficacy through Information Technology Outsourcing has been under attention of both researches and practitioners. Nevertheless, eagerness to identify which factors influence a successful Information Technology Outsourcing decision has been remained untouched in academic literature in relation to Sri Lankan mobile telecommunication industry. Hence, the objective of this study was to identify the factors that influence Information Technology Outsourcing in mobile telecommunication companies of Sri Lanka.

With careful review literature, three main categories of influential factors were identified namely Strategic, Economical and Technological. A conceptual framework was developed using above three factors and three hypothesis were developed. Ninety seven professionals from three leading mobile telecommunication companies (Dialog Axiata, Mobitel Pvt Ltd, Etisalat) who represent top management, middle management and senior technical staff participated in this research. An online questionnaire was designed using Google Docs which was distributed among participants via email. Out of the responses 68% of effective responses were selected for data analysis using SPSS version 20. Spearman's correlation coefficient technique was used for hypothesis validation.

With the results, it is evident that there is a strong positive correlation between Information Technology Outsourcing, and economical factors (such as cost reduction and company growth) and strategic factors. Moreover, there is moderate strong correlation between technological factors and Information Technology Outsourcing. As a conclusion economic influential factors were highlighted as most influencing factors towards Information Technology Outsourcing decision.

Key words: Information Technology, Telecommunication Industry, Outsourcing

1 IBM World Trade Corporation, Colombo, Sri Lanka. chamith@lk.ibm.com

2 Department of Industrial Management, University of Kelaniya, Sri Lanka. janaka@kln.ac.lk