Offshore/Nearshore Software Development: Growth Issues by Region/Country for Information Technology Management and Researchers

Kate Kaiser
Marquette University

Follow this and additional works at: http://aisel.aisnet.org/amcis2004

Recommended Citation
http://aisel.aisnet.org/amcis2004/450
SIG ISO Panel:
Offshore/Nearshore Software Development:
Growth Issues by Region/Country for
Information Technology Management and Researchers

Kate M. Kaiser, Panel Moderator
Marquette University
kate.kaiser@mu.edu

ABSTRACT
The panel will discuss the characteristics and issues in both major and emerging regions/countries that are developing software for export purposes. In particular, they will briefly describe by country/region the history and projected growth rate, published and ongoing research, core competencies, political support from governments, educational system, countries that have compatible partnerships as importers, and research constraints and opportunities.

Keywords
Outsourcing, Off-shoring, Software development, emerging countries, Political impacts, workforce impacts

PANEL DESCRIPTION
The growth of offshore/nearshore software development from the catalyst of Year 2000 projects has emerged as a serious consideration for large and medium-sized firms worldwide. Export growth rate in some countries is about 20%. Some countries have a relatively mature software industry, while others are marshalling resources to quickly develop this industry. Developed countries will have an increasing number of viable options for offshore IT outsourcing as the emerging developers learn from their successful counterparts.

IT offshore outsourcing has become very important due to benefits such as cost reduction, shortened delivery time, and increased quality. Its importance will only increase as time goes on. Second, emerging outsourcing locations will likely become significant players as they mature and establish footholds in client countries. Understanding the nature and implications of using different outsourcing locations and delivery models becomes an important practical issue for IT management. No panel at a major IS research conference has specifically addressed this issue.

The panel will discuss the characteristics and issues in both major and emerging regions/countries that are developing software for export purposes. In particular, they will briefly describe by country/region the history and projected growth rate, published and ongoing research, core competencies, political support from governments, educational system, countries that have compatible partnerships as importers, and research constraints and opportunities.

Implicit and explicit comparisons of regions will engage discussion among the panelists. We anticipate this panel to draw a more diverse international audience subset than the overall conference attendees. The moderator will encourage participation and provoke audience members to share their information, opinions, and questions to help determine direction for further research. For two reasons, little is known than about offshore/nearshore software development. First the activity is relatively new compared to more established research topics. Secondly, offshore outsourcing discussion is not openly initiated by exporting country firms where nationalism and workforce impacts may cause negative perceptions.

This panel brings together researchers with complementary perspectives on global IT outsourcing. Panelists have backgrounds in researching the software export industries in different regions/countries, and have conducted research on relevant issues such as systems development, project management, IT outsourcing, IT workforce, global IT issues, and virtual teams attracting audience members with these broader interests than only those focusing on offshore software development. The panel can provide insight into the nature of IT outsourcing in various countries but should be able draw practical implications and link these issues to some long-standing IT research themes. The moderator solicited panelists based on their experience and attempted to represent major and emerging players in the global arena. The selection should demonstrate how some countries and some firms (both exporters and importers) can learn from the experience of those that have evolved.
**Controversial issues:** Interpretations of the political and workforce impact of offshore software development are areas that could prove controversial. The panelists will attempt to summarize substantiated factual information to justify their stance on these aspects.

**PARTICIPANTS**

**India/Israel** - *Erran Carmel* - American University

**Ireland** - *Eileen Trauth* - Pennsylvania State University.

**Russia/ Eastern Bloc** - *Stephen Hawk* - University of Wisconsin-Parkside

**China** – *Mike Gallivan* - Georgia State University

**Moderator**: Kate M. Kaiser, Marquette University

**PARTICIPANT BACKGROUNDS**

*Erran Carmel*’s area of expertise is in the management of global software development. He studies software teams, globally dispersed software teams, and IT offshore sourcing. His 1999 book *Global Software Teams* was the first on this topic. He is writing his second outsourcing book. His stage model with Ritu Agarwal, *Sourcing of IT work Offshore* (SITO) was published in *MISQ Executive*. He co-founded and led the program in Management of Global Information Technology at American University. Dr. Carmel has over 50 publications. He received his Ph.D. from the University of Arizona, MBA from the University of California at Los Angeles, and B.A. from the University of California at Berkeley.

*Eileen M. Trauth* researches the influence of socio-cultural factors on IT and the IT professions. A 1989 Fulbright Award at Dublin City University began an investigation of socio-cultural influences on the emergence of Ireland’s information economy with findings in *The Culture of an Information Economy: Influences and Impacts in the Republic of Ireland*. In 2003 she became an inaugural recipient of the E.T.S. Walton International Visitor Award (University of Limerick) from Science Foundation Ireland continuing her research into the socio-cultural aspects of Ireland’s software industry. Her work has been published in *MIS Quarterly, Information Technology & People, Communications of the ACM, IEEE Transactions on Engineering Management, Journal of Information Technology and Telecommunications Policy*. Her Ph.D. and MSIS are from the University of Pittsburgh and her BS is from the University of Dayton.


*Michael J. Gallivan* is Assistant Professor in the CIS Department at Georgia State University Robinson College of Business in Atlanta, Georgia, USA. He conducts research on human resource practices for managing IT professionals, as well as strategies for managing effective IT implementation, IT outsourcing, and interorganizational alliances. Dr. Gallivan received his Ph.D. from MIT Sloan School of Management and served on the faculty at New York University prior to his present appointment at Georgia State University. He has published in *Database for Advances in IS, Information Systems Journal, Information Technology & People, Information & Management, and IEEE Transaction on Professional Communications*.

*Kate M. Kaiser*’s relevant research areas include project management, user involvement, IT recruitment and retention, and offshore software development. Current offshore research focuses on liaison project management skills for importers and exporters. She has published in *MIS Quarterly Executive, MIS Quarterly, Communications of the ACM, Academy of Management Journal, the Journal of High Technology Research, Information and Management, Datamation*, a book chapter on offshore software development, among others. She is facilitating the Society for Information Management (SIM) e-community on IT outsourcing and won a 3M Foundation grant to hold an outsourcing forum to help develop curriculum recommendations because of outsourcing’s impact on placement. Her B.A. and MBA are from Kent State University and Ph.D. from the University of Pittsburgh.