

Conclusion

Limitations and Future Research

Plugge, Albert; Nikou, Shahrokh

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Conclusion: Limitations and Future Research

In this book, we introduced four objectives as a direction to explore which antecedents form a part of an enterprise orchestration capability that aims at integrating internal and external resources. We theoretically developed and empirically validated a business services portfolio model and its corresponding antecedents. More specifically, we demonstrated how digitalisation may overcome business services implementation barriers. Overall, we focus on digitalised Global Business Services (GBSs) in the context of a plural sourcing strategy and provided evidence how an enterprise ecosystem approach may decrease GBS implementation challenges. In doing so, we operationalised our definition as described in the introduction “*An enterprise ecosystem is a socio-technical environment in which individuals within organisational units, which are supported by digital interactions, collaborate in co-creating, implementing and orchestrating GBSs in order to create business value*”.

In this chapter, we describe the overall theoretical contributions and managerial implications of our research, limitations and suggest avenues for future research.

11.1 Contribution

To the best of our knowledge, this book is the first attempt of its kind to the analysis of antecedents that influence the orchestration and implementation of an enterprise GBSs portfolio in a plural sourcing context. The result of this research is threefold and contributes to business services and sourcing literature, operation management (OM) and management literature as follows.

First, by applying quantitative research approach in the field of business services, we theoretically developed and empirically evaluated a research model. Based on a unique dataset, we studied GBSs and influencing antecedents within the context of a plural sourcing strategy. The present research investigated the direct and indirect effects of several antecedents on an enterprise's orchestration of business services portfolio. We argue that a fit between these key antecedents is paramount to achieve and sustain a business services portfolio. Consequently, the enterprises' leadership have to manage the coherence between these antecedents and adapt them if necessary. The results contribute to our understanding of the state of current OM practices. Although a number of empirical studies used international samples, only a few of them developed theoretical arguments and hypotheses to study effects across countries or geographical regions (Hitt et al., 2016, p 83). Our study partially fills this gap, as we used an enterprise degree of outsourcing, size, geographical location (e.g. region and country) and enterprise's maturity level as control variables. We examined whether the proposed relationships in the research model are affected by these variables. We identified how these control variables act as moderators and found moderating effects between various path relationships specifically in situations where an enterprise applies a low degree of outsourcing. As a result, we answered the call of Richter and Brühl (2017), who encouraged scholars to identify business services mediators in a context with a larger number of cases (i.e. providing statistical results). We theoretically conceptualised and empirically demonstrated that the antecedent of modularised business processes fully mediates the paths between (a) IS standardisation, (b) managing decision rights, and partially (c) customer orientation to orchestrate a business

services portfolio. These findings helped us to understand the importance of modularised business processes to accomplish GBSs portfolio in a plural sourcing context.

Second, applying a qualitative approach and building on the theoretical perspectives of Resource Orchestration Theory (ROT), we examine the dependencies between antecedents and the orchestration of a GBSs portfolio. Literature reveals that many studies that apply an ROT lens are conceptual (Sirmon et al., 2007, 2011). Although OM scholars applied ROT (see e.g. Liu et al., 2016), we argue that the empirical studies may provide additional support for the robustness of ROT. As such, we used the theoretical perspectives of ROT to study the dependencies between antecedents and the orchestration of a business services portfolio. The findings justify why specific antecedents require continuous management attention as they affect orchestrating a GBSs portfolio directly or indirectly. We contribute to OM literature by operationalising Sirmon et al.'s (2011) resource orchestration framework and followed the resource management elements that include structuring, bundling, leveraging processes. We also took asset management elements into account that comprise of search/selection, configuration/deployment processes. Research of Thomke and Kuemmerle (2002) shows that developing resources internally and acquiring external resources are important actions, however, they are independent of an enterprise degree of maturity in orchestrating resources. Our research goes beyond the findings of Thomke and Kuemmerle (2002) as our case studies demonstrates that enterprises need to be mature to orchestrate internal and external resources adequately as the antecedents under study are interdependent. Consequently, maturity can be seen as a prerequisite to create a balanced mix of value-adding resources both in-house and acquired from the market (i.e. outsourced).

Based on our cross-case analysis, we argue that enterprise management have to invest in building a dynamic orchestration capability. Taking the dynamics of a plural sourcing strategy into account enterprises need to focus on a business services portfolio that is sustainable by nature. To deal with this challenge, our research shows that managers have to detect changes in the direct (internal organisation) and indirect (external suppliers) environment, which corresponds to sensing. By reaching out to representatives of internal and external stakeholders, insights can be collected to

verify if the current plural sourcing strategy and corresponding business services portfolio still fits to support end users and customers. Subsequently, enterprise management is able to initiate actions to adjust the business services portfolio, if necessary, which addresses an enterprise seizing ability. Importantly, Haarhaus and Liening (2020) found various examples in which enterprises were able to apply an agile business model to restructure their resource mix of internal and external resources. As a result, we build on the authors findings by demonstrating that horizontal and vertical mechanisms are required to exchange information between managers and subject matter experts, both internally and externally. Our results suggest that adapting a business services portfolio requires both sensing and seizing capabilities to cater for changes effectively. As a result, enterprise management needs to use a holistic view to coordinate changes that affect the antecedents under study to ensure coherence.

A third contribution emphasises the dynamics to orchestrate a business services portfolio by means of an ecosystem approach and the enabling role of strategic management. From a management and organisation perspective, we find that a coalitional model creates a better fit to handle enterprise dynamics. Our findings provide novel and powerful insights that enterprises' who apply an ecosystem approach to orchestrate their business services portfolio, taking a plural sourcing strategy and corresponding antecedents into account, are better capable to deal with orchestration complexity. By conducting this study, we extend the research of Holmlund et al. (2016) and examine management and leadership challenges in business services companies during the transition to service orientation (p. 2460). We find that digital technologies accelerated the need to apply an enterprise ecosystem approach, which in turn strengthened the ties between various departments, management, and experts as each of them is aware of mutual dependencies. More specifically, we find enterprise ecosystem roles, such as the orchestrator (e.g. FSSC and IT department), producers (in-house and outsourced delivery units) and consumers (end users and customers) (see Lingens et al., 2022). By applying ecosystem characteristics enterprises were able to adapt to the dynamics to orchestrate a business services portfolio. As far as we know, this is the first study that argues the enterprises can be considered as an ecosystem, taking GBSs in a plural sourcing context into account.

11.2 Managerial Implications

Our findings have direct managerial implications for enterprises that apply GBSs in a plural sourcing context. To overcome barriers in the dynamics of a business services portfolio, we suggest that enterprises need to develop an orchestration approach that is dynamic by nature. It requires an orchestration capability that focuses on the enterprise ecosystem as a whole rather than on the individual relationships between antecedents and the business service portfolio. Pioneering bundling resources, derive from exploratory learning that represent an avenue through which managers are able to create a new orchestration capability by integrating existing and/or new resources that were previously unrelated (Ahuja & Morris Lampert, 2001). We argue that enterprises establish an “orchestration hub” to structure, bundle, and leverage in-house and outsourced resources. Such an “orchestration hub” becomes accountable to coordinate the business services portfolio and in-house and external resources. GBS portfolio changes may impact corresponding business processes, information systems, decision rights and customer orientation which require coordination. The “orchestration hub” coordinates these dynamic changes and develops mechanisms to ensure that managers and subject matter experts of various business and IT departments continue to exchange information. As dependencies between enterprise departments may cause uncertainties with regard to GBS portfolio, traditional hierarchical structures become ineffective to handle the degree of dynamism. Therefore, we suggest that enterprises develop and implement an enterprise ecosystem strategy encompassing a multi-perspective approach that contributes to achieve competitive advantage. By implementing ecosystem characteristics, such as long-term goals, shared fate and reciprocity, enterprises can cater for changing circumstances and adapt the identified critical antecedents to achieve organisational responsiveness. Introducing a more collaborative way of working with suppliers may improve enterprises’ performance of their business services. In case of changes in a business services portfolio (i.e. new or adapted functions and services), suppliers may create value by identifying the impact of changes on enterprises’ business services. As such, the risk of performance issues can be reduced.

11.3 Limitations and Future Research

While our study provides important implications for enterprises and suppliers involved in providing GBSs in a plural sourcing context, there are also some limitations. Next, we suggest potential research avenues.

First, our study is limited by the general weakness of survey research relying on subjective information as the survey is filled out by one respondent per firm. Our relatively small sample includes only participants with high managerial positions, such as executive management. Although our research included several conditions and control variables, the research model may not be as comprehensive as possible. There may be other antecedents that were not considered in the study, which would have contributed to a deeper understanding of implementing GBSs. We suggest that future studies focus on more diverse respondents and use a large sample survey. A more equal balance of the number of enterprises and responders in various industries as well as more finely grained research related to geography and size may provide more generalisable results. Second, another limitation is that business services antecedents are only studied on a generic level and from a financial services view specifically (see case studies). For instance, we did not specify the in-depth function of financial services, nor did we explore other type of knowledge-intensive business services (e.g. HR, SCM). Based on previous research, it can be assumed that the type of function will influence our findings. Future research may explore the role and effects of specific GBS functions and identify new insights.

Third, because our research primarily represents enterprises, we have not studied other context-related factors that may affect the plural sourcing relationship, such as the role of suppliers. Business services provided by suppliers were not studied, which may create new insights that lead to new antecedents that may affect our research model. Future research may explore the role of suppliers specifically and their perspective on an enterprise business services portfolio would further enrich the findings presented. Fourth, the fact that we used ROT as the main theoretical framework to study an enterprise ecosystem may limit our understanding of moderating and mediating orchestration effects. Due to the dynamics

and complexity of resource integration within a plural sourcing strategy, we suggest applying other theories or theoretical frameworks, such as systems theory, to research the effects to which enterprises apply systemic thinking when orchestrating their business services portfolio.

Fifth, the results could be influenced by the specific sampling strategy employed, potentially leading to a skewed representation of the population under investigation and affecting the generalisability of the findings. Different sampling methods may inadvertently exclude certain groups or over-represent others, which could impact the accuracy and applicability of the study's conclusions. Finally, a potential limitation arises from survey items (indicators), and the modification of previously validated measurement items to align with the research context. Thus, these alterations could impact the psychometric properties and comparability of the measurements, potentially affecting the study's internal validity and cross-study comparability.

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