

A Social Capital Perspective on IT Project Offshoring Failures in the Service Delivery Sector in Sri Lanka

M.D.Sumudu Roshini MS20911294 M.Sc. in IM

Supervisor: Dr. Dasuni Nawinna

Oct 2021

Faculty of Graduate Studies and Research Sri Lanka Institute of Information Technology DECLARATION OF THE CANDIDATE AND SUPERVISOR

I declare that this is my work and this dissertation does not incorporate without acknowledgment

to any material previously submitted for a Degree or Diploma in any other University or institute

of higher learning and to the best of my knowledge and belief. It does not contain any material

previously published or written by another person except where the acknowledgment is made in

the text.

Also, I hereby grant to Sri Lanka Institute of Information Technology the nonexclusive right to

reproduce and distribute my dissertation, in whole or in partial print, electronic or other medium.

I retain the right to use this content in whole or part in future works (such as articles or books).

This document is proprietary and exclusive property of the SLIIT project ID 2021-Jan-09. A list

of references referred for the preparation of this document is given as references at the end of the

document.

Sumice			
Signature:		Date:	

M.D.Sumudu Roshini

The above candidate is carrying out the research for the Dissertation in completion of MSC in

information management under my supervision.

Signature of the supervisor:

Date: 7/12/2021

Dr. Dasuni Nawinna,

Department of Computer Systems Engineering,

Faculty of Computing

SLIIT

ii

Table of Contents

Table of Contents	iii
List of Figures	v
List of Tables	vi
1. Introduction	1
1.1 Significance of the study	4
1.2 Problem statement and research questions	5
1.3 Research objectives	7
1.3.1 Main Objective	7
1.3.2 Specific objectives	7
2. Literature Survey	8
2.1 Literature based on IT project failures	8
2.2 Social Capital Theory	11
2.3 Research gap	14
3. Development of Conceptual Model and Hypothesis	15
3.1 Development of Conceptual Model	
3.2 Development of Hypothesis	19
3.2.1 Impact of frequency of interaction during knowledge transfer on IT failures	
3.2.2 Impact of relationship quality between onshore and offshore team o project failures during support and maintenance stage	
3.2.3 Impact of shared vision between onshore and offshore team on IT o failures during support and maintenance stage	1 3
3.3 Hypothesis Summary	22
4. Methodology	23
4.1 Research methodology	23
4.2 Data Sample	26
4.3 Data Survey	27
4.4 Structural Equation Model in PLS	30
4.5 Demography analysis	31

5. Data Analysis and Results	34
5.1 Outer Model or Measurement Model Analysis	35
5.1.1 Reliability Testing	36
5.1.2 Validity Testing	37
5.2 Inner model or Structural model Analysis	40
5.2.1 Path coefficient	40
5.3 Hypothesis Testing	14
6. Discussions	16
6.1 Significance explained by the study	16
6.2 Analysis of Impact of frequency of interaction during knowledge transfer on IT offshore project failures during Pre- support and maintenance stage	48
6.3 Analysis of Impact of relationship quality between onshore and offshore team on IT offshore project failures during support and maintenance stage	48
6.4 Analysis of Impact of shared vision between onshore and offshore team on IT offshore project failures during support and maintenance stage	49
7. Conclusion	50
8. Limitations and Future Work5	52
REFERENCES5	53
Appendix6	50

List of Figures

Figure 1.1 Team structure of onshore and offshore teams	7
Figure 2.1 Three Dimensions of Social Capital Theory [29]	17
Figure 3.1 Conceptual Framework	23
Figure 3.2 Inner structural model	27
Figure 4.1 Methodology	31
Figure 4.2 Sample size determination in PLS-SEM[49]	34
Figure 4.3 Google survey Form	35
Figure 4.4 Structural Equation model	38
Figure 5.1 Measurement model for structural Dimension	43
Figure 5.2 Measurement model of Cognitive dimension	43
Figure 5.3 Measurement model of Relational dimension	43
Figure 5.4 Measurement model of IT Offshore project failure	43
Figure 5.5 Path coefficient results of SEM	49
Figure 5.6 Path coefficient results of conceptual Model	50
Figure 6.1 Summary of research model	55

List of Tables

Table 3.1 Eleven frequently occurring risks [01]	22
Table 3.2 Top 10 significant risks in offshore IT projects [27]	23
Table 3.3 Summary of Hypothesis	25
Table 3.4 Literature evidence for hypothesis validity	28
Table 4.1 Sample size determination in PLS-SEM [49]	32
Table 4.2 Data survey	33
Table 4.3 Demography analysis	39
Table 5.1 Reliability analysis	44
Table 5.2 Cross loading results	46
Table 5.3 AVE results	47
Table 5.4 Fornell and Larcker results	48
Table 5.5 Path coefficient results	50