



**T A PAI MANAGEMENT INSTITUTE**

MANIPAL - 576104

Research Seminar

**BEHAVIORAL RISKS MITIGATION, CLIENT-  
VENDOR RELATIONSHIP AND SUCCESS OF  
OFFSHORE SOFTWARE DEVELOPMENT**

Speaker

Prof. Saji Mathew (PhD)  
T A PAI Management Institute, Manipal

**3.00 PM, March 10<sup>th</sup>, 2010**

**Class Room: F2, TAPMI Campus**

**All are invited**

## **Abstract**

Risks originating from vendor behavior in Offshore Software Development (OSD) could adversely impact the success of offshore software development. Behavioral risks *ex post* have been conceptualized as *shirking*, *loss of control over information assets* and *service provider (vendor) lock-in*. Success of offshore outsourcing have been broadly characterized in this study by the dimensions of achieving *cost efficiency* and *global strategy*. Drawing from previous research in Relationship Marketing and Inter-Organizational Relationship (IOR), this study examines the role of *risk and benefit sharing*, *trust* and *service provider's dependence on client* in mitigating behavioral risks. A model to study the impact of risks and relationship on the success of offshore software is developed further in the study. Survey data obtained from senior executives involved in outsourcing decisions of 40 US organizations was analyzed using Structural Equation Modeling with PLS. Final specification of the model for OSD success supported risk-relationship impact on cost efficiency and global strategy.

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