

# INFORMATION SYSTEMS OUTSOURCING AND ORGANISATIONAL STRUCTURE

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## Abstract

A decision of increasing importance to many organisations is whether to use internal or outside resources, assistance and expertise to address information technology and information systems requirements. This decision may be affected by many considerations, including cost corporate culture and business strategy. The structure of the organisation represents the embodiment of a number of components. These include size, industry group, culture, degree of centralisation and internal control, and structure of the information systems function. It might seem logical therefore, that the business environment of an organisation, as represented at a high level by its structure, should affect the decisions of those responsible for the control of information systems and technology.

Are certain types of organisations more likely to use outsourcing to fulfil their information technology and systems needs? This paper first summarises some of the research into outsourcing, and outlines the characteristics and structures of various organisational types. It then describes a survey on these topics carried out on a sample of organisations from various industry sectors.

Certain relationships were found to exist between the practice of information systems outsourcing and both organisation structure and industry group. The paper discusses some of the main findings.