

UNIVERSITY OF MACAU
FACULTY OF BUSINESS ADMINISTRATION

**ORGANIZATIONAL LEARNING AND IT
OUTSOURCING**

O Kit Hong

M-A2-6130-9

**Thesis presented to the
Faculty of Business Administration
University of Macau**

**In partial fulfillment for granting the MBA Degree
(In Area of Management)**

2007

L13

TABLE OF CONTENTS

EXECUTIVE SUMMARY	i
ACKNOWLEDGEMENTS	iii
TABLE OF CONTENTS	iv
LIST OF FIGURES	vi
LIST OF TABLES	vi
CHAPTER 1. Introduction.....	1
1.1. Emergence and popularity of IT outsourcing.....	1
1.2. The case of IT outsourcing in Macao.....	3
1.3. Puzzles about IT outsourcing and organizational learning	6
1.4. Research objectives.....	9
1.5. Organization of thesis	10
CHAPTER 2. Literature review	11
2.1. Organizational learning.....	11
2.2. A social perspective of organizational learning	17
2.2.1. Identity	18
2.2.2. Power	23
2.2.3. Trust	26
2.3. IT outsourcing and organizational learning	31
CHAPTER 3. Methodology	38
3.1. Research design	38
3.1.1. Qualitative research	39
3.1.2. Case study research.....	40
3.2. Data collection	42
3.3. Data analysis	45
3.4. Data verification.....	47
CHAPTER 4. Evolution at EDUA.....	51
4.1. Stage I: Honey moon period	51
4.2. Stage II: Relationship deterioration	54
4.3. Stage III: Dissolution	56
CHAPTER 5. Findings.....	59
5.1. Identity Crisis.....	60
5.1.1. Perception gap on commodity worker identity.....	61
5.1.2. Confusion of identity	66
5.1.3. Multiple organizational identities	72

5.2.	Unequal power distance	78
5.2.1.	Notion of hierarchy	78
5.2.2.	Unfairness	80
5.2.3.	Unequal status	83
5.2.4.	Inferior status of commodity worker	84
5.3.	Lack of trust	87
5.4.	Overall impact on organizational learning	91
CHAPTER 6.	Discussion and Conclusion	100
6.1.	Key contributions	102
6.2.	Limitations	106
6.3.	Future research	108
REFERENCE	110
APPENDIXES	116
A.1	Interview Protocol	116
A.2	Short questionnaire for previous commodity workers	117