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SYSTEMIC-CONFIGURATIONAL APPROACH TO THE TRANSFORMATION OF STRATEGIC MANAGEMENT IN INTERNATIONAL IT OUTSOURCING COMPANIES

Contemporary international IT outsourcing is being transformed under the simultaneous impact of technological, market, and client dynamism. Generative artificial intelligence, cloud architectures, platform solutions, software-development automation, and data-driven approaches are changing not only the tools used to deliver IT services, but also the economic logic of the outsourcing business.

For companies that have long relied on scaling human resources and global delivery, this means a shift toward more complex services, consulting, outcome-based models, partnership ecosystems, and new modes of value creation. Under these conditions, the strategic challenge is no longer limited to selecting a new strategy; it increasingly concerns the ability to change the very way in which strategizing, strategic decision-making, and strategy implementation are carried out.

From a theoretical perspective, individual aspects of such adaptation are explained quite convincingly. Dynamic Capabilities link competitiveness in rapidly changing environments to the sensing, seizing, and reconfiguring of resources and competences [1; 2]. Organizational ambidexterity explains the need to exploit existing competences while simultaneously exploring new opportunities [3]. Strategy-as-Practice shifts attention from strategy as a formal plan to strategizing, its actors, routines, and practices [4].

At the same time, an important question remains unresolved: how can multiple changes in capabilities, business models, governance, delivery, organizational arrangements, and management practices form not merely a set of separate responses, but a transformation of the strategic management system itself?

To examine this problem, a two-stage search was conducted in Scopus. A theory-driven query using predefined constructs (dynamic capabilities, organizational ambidexterity, business model innovation,

strategic transformation, etc.) returned 38 documents. A theory-neutral query was then applied, focusing on the phenomena of transformation, adaptation, reconfiguration, and renewal of IT outsourcing / IT service provider firms without predefining a theoretical lens; this search returned 230 records. Such a procedure reduces the risk of confirmation bias and makes it possible to identify the theoretical language through which the research field itself describes systemic change. For an in-depth evidence review, 15 provider-level studies representing the principal explanatory perspectives were selected.

The analysis showed that no single obvious integrative construct could be identified in the reviewed corpus. Dynamic Capabilities mainly explain the reconfiguration of resources and capabilities and its relationship with adaptability, innovation, or performance. Organizational Ambidexterity focuses on balancing the "old" and the "new". Global Value Chain / upgrading perspectives describe movement from low-value outsourcing toward higher-value services.

Business Model Transformation captures changes in value proposition as well as service, technological, organizational, and financial logics. Research on routines, knowledge management, and practice-based approaches reveals micro-level mechanisms of learning, coordination, and strategic action. Thus, a substantial part of the phenomenon has already been explained, yet the field remains theoretically fragmented.

This fragmentation is evident in provider-level studies. Du, Pan, and Wu, drawing on four Chinese IT outsourcing vendors, show how the development of new capabilities for moving up the value chain can be combined with maintaining the existing business and explain this through organizational ambidexterity [5]. Lee, Park, and Krishnan describe the evolution of Indian IT service firms as a sequence of body shopping → offshoring → global delivery model → higher value-added services [6]. Mehta and Baskaran, using TCS, Infosys, and Wipro as examples, link upgrading to innovation capabilities, partnerships, interaction with start-ups and universities, and acquisitions [7]. The Infosys case identifies strategic transformational waves through which the company moved from an offshore service provider to a global consulting and IT services firm and then to an innovator, changing its business model and strategic direction [8]. Cloud-based digital transformation of IT service providers likewise demonstrates simultaneous changes in service, technology, organization, and finance [9]. However, in these studies the analytical focus remains capability development, upgrading, the business model, or

a specific transformation trajectory, rather than the strategic management system as an integrated object of analysis.

This leads to the need to distinguish between the strategic management system and the domains of strategic reconfiguration. The business model, organizational structure, technologies, service portfolio, global delivery, workforce, partnerships, and capabilities are domains in which strategic change is manifested, but they are not the strategic management system itself. The latter can be understood as an interconnected set of processes, mechanisms, actors, practices, and information-analytical linkages through which a company detects and interprets environmental change, formulates strategic orientations, makes decisions, orchestrates resources, implements strategy, exercises control, learns, and undertakes further reconfiguration.

The core of such a system is a recursive relationship: strategic sensing → strategic interpretation / sensemaking → strategic choice / strategy formation → resource and capability orchestration → strategy implementation → strategic control and feedback → strategic learning and reconfiguration. Its functioning is supported by actors, decision rights, governance, routines/practices, information and analytics, and the temporal logic of strategizing—from periodic planning to continuous strategizing. The outcome is the reconfiguration of the value proposition, business model, service portfolio, global delivery model, organizational architecture, technology, talent, client relationships, and ecosystem partnerships. Therefore, a change in a single domain is not in itself sufficient to speak of a transformation of strategic management.

A qualitative restructuring of the configuration of strategizing processes, mechanisms of strategic decision-making and implementation, governance, strategic practices, feedback/learning, and resource reconfiguration is proposed as the criterion of such transformation. In other words, transformation takes place when the way in which a company formulates and implements its strategic response to external dynamism changes qualitatively. This makes it possible to move from the analysis of isolated changes toward the identification of their configurations, intensity, phases, and resulting states of the strategic management system.

The scientific novelty of the proposed approach does not lie in replacing Dynamic Capabilities, Ambidexterity, or Strategy-as-Practice with a new universal theory, but in providing a systemic-configurational representation of interrelated strategic changes that have predominantly been examined separately in previous research. The theoretical

propositions concerning the transformation of strategic management in international IT outsourcing companies have been further developed by establishing a causal relationship between technological, market, and client dynamism, changes in the logic of value creation, and the formation of interrelated strategic responses, the systemic configuration of which leads to the transformation of strategic management processes and mechanisms. Within this framework, Dynamic Capabilities explain the ability to sense–seize–reconfigure, Strategy-as-Practice explains the actors and practices of strategizing, while the configurational approach explains the interdependence of changes and the multiplicity of possible transformation configurations.

The economic meaning of the proposed framework lies in linking the transformation of strategic management to changes in the way an IT outsourcing company creates and reproduces competitive advantage. The transition from labor arbitrage and headcount scaling toward higher value-added services, digital platforms, AI-enabled delivery, and partnership ecosystems changes more than the revenue structure or service portfolio. It requires a different speed of the strategic cycle, a different distribution of decision rights, new principles of investment in capabilities, continuous portfolio review, and tighter feedback between client demand, technological opportunities, and strategic choice. Therefore, the economic transformation of the business and the transformation of strategic management are interconnected but not identical: the former creates an objective need for the latter, while the latter determines the company's ability to respond systemically to new conditions of value creation.

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