

Report on Bachelor / Master Thesis

Institute of Economic Studies, Faculty of Social Sciences, Charles University in Prague

Student:	Vladimír Stříteský
Advisor:	Ing. Petr Balcar
Title of the thesis:	Outsourcing: Benefits and Costs for Businesses

OVERALL ASSESSMENT (provided in English, Czech, or Slovak):

Please provide your assessment of each of the following four categories. The minimum length of the report is 300 words.

Contribution

The thesis aims to contribute in two areas: firstly, by setting an analytical framework for decision makers (managers of companies) and secondly, by providing empirical evidence on outsourcing practices in Czech businesses.

I would say the author accomplished the first goal by bringing a nice synthesis of the existing literature and by providing clear guidance on best practices.

On the other hand, I find the empirical part weaker even though I appreciate author's effort to conduct a survey in order to collect his own original dataset. Unfortunately the response rate was very low (29 out of 425 respondents) which prevented any empirical inference beyond basic descriptive statistics and comments.

Methods

The empirical chapter is the weakest part of the thesis. The small sample of 29 observations is not a well balanced dataset (only 4 negative responses) so the econometrics models do not allow any significant inference. The author identified these issues mostly correctly. I have objections to the way the second hypothesis was tested. The conclusion that the hypothesis "is confirmed" is based solely on the values of Pearson's correlation coefficient. Instead, the author might use a binomial regression with well established toolset of tests and diagnostics.

Also the statement that the two stage least square (2SLS) estimator requires panel data on p. 30 is incorrect (let alone that the comment was unnecessary).

I also find the conclusions based on the findings rather too bold given the data issues. Also some assumptions (such as that IT is always a critical activity) seem to be too strong as well given that the data does not give much details on the subjects of the businesses. The combination of two answers ("We outsource IT" and "We are not dependent on the vendor") allows the author to jump on the conclusion that the Czech managers are ignorant or incompetent in strategic/risk management.

I also find the outlined hypotheses too broad and thus very difficult to test.

Literature

The literature overview and work with references is the strongest part of the thesis. Sometimes author's personal experience from his professional career enters as an anecdotal evidence to support some ideas. Even though it is always clearly stated that it is based on author's opinion it is not in general a desirable practice in academic literature.

Manuscript form

The form of the thesis is nice. It is clear and very easy to read. The only objection I have concerns the charts. Many of them are "copy-pasted" from external sources without any editing.

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All in all, I recommend it for defence with the total grade "good".

SUMMARY OF POINTS AWARDED (for details, see below):

CATEGORY	POINTS
<i>Contribution</i> (max. 30 points)	18
<i>Methods</i> (max. 30 points)	10
<i>Literature</i> (max. 20 points)	17
<i>Manuscript Form</i> (max. 20 points)	17
TOTAL POINTS (max. 100 points)	62
GRADE (1 – 2 – 3 – 4)	2

NAME OF THE REFEREE: *Václav Hausenblas*

DATE OF EVALUATION: 5.6.2017

Referee Signature

EXPLANATION OF CATEGORIES AND SCALE:

LITERATURE REVIEW: *The thesis demonstrates author's full understanding and command of recent literature. The author quotes relevant literature in a proper way.*

<i>Strong</i>	<i>Average</i>	<i>Weak</i>
20	10	0

METHODS: *The tools used are relevant to the research question being investigated, and adequate to the author's level of studies. The thesis topic is comprehensively analyzed.*

<i>Strong</i>	<i>Average</i>	<i>Weak</i>
30	15	0

CONTRIBUTION: *The author presents original ideas on the topic demonstrating critical thinking and ability to draw conclusions based on the knowledge of relevant theory and empirics. There is a distinct value added of the thesis.*

<i>Strong</i>	<i>Average</i>	<i>Weak</i>
30	15	0

MANUSCRIPT FORM: *The thesis is well structured. The student uses appropriate language and style, including academic format for graphs and tables. The text effectively refers to graphs and tables and disposes with a complete bibliography.*

<i>Strong</i>	<i>Average</i>	<i>Weak</i>
20	10	0

Overall grading:

TOTAL POINTS	GRADE		
81 – 100	1	= excellent	= výborně
61 – 80	2	= good	= velmi dobře
41 – 60	3	= satisfactory	= dobře
0 – 40	4	= fail	= nedoporučuji k obhajobě