

# MISQ Archivist

## Antecedents of Information Systems Sourcing Strategies in U.S. Hospitals: A Longitudinal Study

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### Abstract

The popular press has long used the terms single-sourcing and multisourcing (also known as best of breed) to describe organizations' sourcing strategies. Whereas there is an implicit understanding of these terms, no research has quantified what distinguishes one sourcing configuration from another or what institutional factors contribute to the pursuit of one strategy over the other. We leverage institutional theory to examine how key organizational antecedents such as strategic orientation (mission), formal structure (size), and internal dynamics (patient case mix complexity) influence the rate at which organizations move toward or away from a single-sourcing configuration. Employing longitudinal modeling combined with sequence analysis techniques, we empirically evaluate IS sourcing strategies of nearly all U.S. hospitals operating continuously over a 9-year time frame from 2005 to 2013. We find that hospitals are generally trending toward a single-sourcing configuration and that formal structure and internal dynamics serve as predictors of this trend. Contrary to the predictions of institutional theory, we find that strategic orientation is not predictive of IS sourcing strategy. These results have important implications for research and practice. Notably, we are the first to quantify sourcing strategies and, by doing so, are able to inform practitioners and academics of the key organizational characteristics that lead hospitals to move more quickly toward single-sourcing configurations.

**Keywords:** IS sourcing strategy, institutional theory, firm characteristics, electronic medical record systems, health IT, panel data, mixed effects model, longitudinal