

Outsourcing Evolution and State-of-the Art Practices: Empirical Analysis of Oil and Gas Industry

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Abstracts

The evolution of outsourcing activities has changed the way firms compete across diverse industries. It has also enabled organisations to achieve both short and long term benefits. Although there are advances in global logistics and information technology to increase the outsourcing of non-core operations, yet empirical testing of an association between technology and outsourcing in relation to long-term performance of organisations are less well researched. There is a general assumption in literature that employing outsourcing without proper consideration of long- term performance jeopardises competitiveness. This paper examines outsourcing in the oil and gas industry both from a long-term performance perspective, and from the viewpoint of technology deployment. The results indicate a strong correlation between technology adoption and effectiveness of outsourcing operations. In addition, the results demonstrate that the relationship between technology and outsourcing performance can be moderated through appropriate infrastructure, quality management and level of expertise across the organisation.