

# Good article review on antecedents of offshoring advanced tasks

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A lot of considerations have to be made before a business decides to offshore some of its processes or services. Aside from being distant from the firm, the load and magnitude assigned to an offshored network should be considered. More or less advanced tasks are found in all activities of a business. The journal article of Jensen and Pedersen (2011) on the antecedents of offshoring advanced tasks operated on four hypotheses about how an offshored task becomes more advanced: (1) when firms are more knowledge-intensive; (2) the more offshoring experience accumulated in the firm; (3) the more resources in the firm; and (4) the stronger the market-seeking strategic motive. The first three were proved true using various statistical models that employed the use of surveys of firms. Further in their discussion is that an offshored task is not driven by a market-seeking strategic motive. The findings further reveal that offshoring more advanced tasks do not necessarily operate on the same logic as the offshoring of less advanced tasks. Most firms prefer to offshore more advanced tasks not for cost reasons (alone) but to access high-quality skills and knowledge (as well). This can be seen as part of a company's goal of achieving international competitiveness.

This article could mean well something of value in the IT department, especially as it is the department that usually relies on offshoring to perform its tasks. As CIO that oversees this department, it is my duty and responsibility to know which tasks are to be offshored and which are not. Employee satisfaction could be a key factor in the determination of tasks to be distributed. This article also allows me to picture what offshoring of advanced tasks could do for the company. The structural, motivational, and

behavioral aspects of offshoring firms should be considered. Cost advantages are still essential in cases where firms offshore less advanced work. However, as what the article had found, the objective of having a cost advantage is of limited importance when offshoring more advanced tasks. This may also open newer opportunities to people willing to work abroad, which may potentially add more fruitful knowledge and skills to the company's roster.

As CIO, the article gives me an idea of what I should be looking for when deciding to offshore tasks. It may be tedious at first, as the decision relies on me as well, but since this is a team decision, each of the people in the company has a say on the process. Offshoring has become an established business practice, primarily because of the cost advantages a firm receives out of doing such activity. The goal to achieving international competitiveness relies not only to offshoring, of course, but also to the skillful management of all the departments in a company. Inclining one's self onto concepts like this would be very helpful in the overall development of the company. With how the current generations of businesses revolve, international competitiveness has been quite a standard goal, perhaps to align them with the trend of globalization. Nonetheless, keeping this goal in mind would truly benefit my well-being and the well-being of the rest of the constituents of the company.

## **Reference:**

Jensen, Peter and Torben Pedersen. " Offshoring and international competitiveness: antecedents of offshoring advanced tasks." *Journal of the Academic Marketing Science* 40. (2012): 313-328. Print.

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