

## TECHNICAL SESSION-4: HUMAN CAPITAL INVESTMENT AND WORKERS' EFFICIENCY

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**Paper Title:** Information Technology, Firm Efficiency, and Foreign Outsourcing Collaboration in Production Processes: A Developing Economy Firm's Perspective  
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**Abstract:** Foreign outsourcing collaboration (FOC) among developed and developing countries enables firms to reap the benefits from the worldwide fragmentation of production phases. A majority of research on foreign outsourcing is based from the perspective of developed economies. However, a meagre amount of literature is available on foreign outsourcing from the perspective of developing economy firms. This paper intends to bridge this gap by analysing the FOC in processes from the perspective of a developing economy. Specifically, this paper aims to analyse the impact of investment in information technology (IT) on firm performance in terms of cost efficiency and quality of products. FOC strategic integration reflects an amalgamation of FOC in firms' policies concerned with strategic goals, and competitive strategy. Such policies help firms succeed and have a significant impact on firm performance. Additionally, the association between the use of modern machinery, strategic integration, investment in IT, and FOC in processes have been analysed to assess the characteristics of firms. The data come from 217 textile and apparel firms from the city of Faisalabad, Pakistan for fiscal year 2022. SmartPLS 4 has been employed to estimate the partial least square structural equation model (PLS SEM). The results indicate that investment in IT enhances firms' efficiency and improves the quality of products, inducing a higher level of firm performance. FOC in processes enhances product quality whereas investment in IT fosters FOC in processes.