

The Impacts of Technology on Operations Costs: The Mediating Role of Operation Flexibility

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Abstract : The study aims to determine the impact of technology and service operations flexibility, which is divided into external flexibility and internal robustness, on operations costs. A mediation model is proposed that links technology to operations costs via operation flexibility. Drawing on a sample of 475 of operations managers of various service sectors in Malaysia and South Africa, Structural Equation Modeling (SEM) was employed to test the relationship using Smart-PLS procedures. It was found that a significant relationship was established between technologies to operations costs via both operations flexibility dimensions. Theoretical and managerial implications are offered to explain the results.

Keywords : Operations flexibility, technology, costs, mediation

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