

The Impact of Logistics on the Financial Performance of an Organization - A Case of Pakistan State Oil (PSO)

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Abstract

The study focuses on the PSO logistic operation and financial performance of the company. It has been concluded in the study that there is a relationship between logistics and financial performance of PSO. The mixed approach has been followed in the study to complete it systematically. Grounded theory and survey strategy have been adopted for the current study. For questionnaire sample size is 150 and two sampling techniques are commonly adopted, which include probability and non-probability. Primary and secondary sources of data collection are mainly considered. Descriptive analysis, Reliability test, Correlation test and Regression analysis has been used to analyzed the data. It has been concluded that operations of the oil and gas industry are affected due to the globalized market, and management must design a contingency plan. The logistics department of PSO must have alternative strategies because it gets affected by the internal and external environment. It has been concluded that PSO logistics mainly gets affected when the demand for the good increases significantly. However, other factors that impact PSO logistics operations are changes in law, capacity, supply, policies, and technology. The organization is working on logistics operations as they are linked with financial performance. Moreover, it has been concluded financial goals are set by leaders to grab new opportunities for business effectively. When a company has good financial standing, it can survive from a critical situation and able to sustain business operations effectively.

Keywords: Logistics, Financial Performance, Kaizen, Supply chain, Operation, Globalization, Organization Development

1. Introduction

According to Lin and Chang (2016), global challenges are increasing, and to overcome that, organizations are designing logistics strategies to enhance business operations. Logistics capacity is being focused because it enhances the ability of business operations and improves profitability. Enterprises are taking action for growth, which are linked to supply chain operations as it has a

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direct relationship with the organization's financial performance. As per the study of Rao (2020), technology is being used by firms to secure their logistic information. There are challenges at each stage in business operation due to which there are significant changes in traditional logistics practices. Firms are achieving their goals by using real-time techniques, which is improving the tracking of orders. Automation is being promoted to enhance and improve the overall organization's operations as it can make the firm competitive in the market. Further, the chapter's background will be discussed in detail, which provides brief information about the research topic. The problem statement will be discussed in detail to provide information related to the purpose of the study.

1.1 Background

According to Agyabeng-Mensah, Afum, and Ahenkorah (2020), there are drastic changes in demand for goods, and it further has an impact on the firm's logistic operations. When transportation activities of an organization increase its further effect on the environment, and it also impacts the brand name. Due to rapid changes, management focus on policies and design strategies to reduce the adverse impact of the environment. As per the study of Zeng and Wudhikarn (2018), the logistic operation has an impact on different factors, which include economics, the financial performance of a firm, and competitive advantage. It is one of the resources that gain importance because it plays a role in customer satisfaction, enhancing the profitability of an organization, and provides an economic benefit. According to Laari, Töyli, and Ojala (2018), for growth and development strategies are designed by the organization. In the current era, supply chain operations are promoted along with logistics services to develop a diverse network for business. Managers plan logistic strategy because they are linked with financials and environmental performance. In the contemporary business environment, a sustainable strategy for logistics is promoted as they impact organizational goals.

In view of Zailani et al. (2017), companies strive to achieve competitive advantage as it improves their profitability and market presence. The management of operations is not an easy task due to which challenges arise. Some organizations outsource logistic service because it is one of the critical functions. It is preferred that outsourcing operations should be in a provision so, the third party can understand market trends effectively and able to provide good customer service. As per the study of Olah et al. (2018), logistics creates value and has a significant influence on the development of a firm. Collaborative working and technologies are promoted in logistics operations to maintain the performance of the organization. It is a complete network that has a relationship with economics. Other than that, logistics operations are being promoted because it has a significant impact on globalization. When firms have stable logistics operations, they can expand business operations at an international scale, which provides financial benefits.

1.2 Company Background

As per the official website of PSO (2020), Pakistan State Oil (PSO) is the largest energy company of the country that is dealing with different kinds of products, which include CNG, high-speed oil (HSD), Jet Fuel (JP-1), LPG, and Motor Gasoline. PSO has a diverse network that is based on 3754 outlets out of which 189 serves to customers who purchase in bulk and remaining are serving to the general public. PSO is meeting the market demand effectively, and the company is focused on infrastructure development and logistic service to deliver goods on time. However, the company possesses the most abundant storage to fulfill demand. The management is following ethics and working under law. HR management is mainly focused on the development of people to enhance their services. Supply chain managers have long-run plans for the company's growth and development, which is leading to sustainable operation management. The actions are taken to reduce the carbon footprint from the environment as it is the social responsibility of PSO (PSO, 2020a).

1.3 Aim and Objectives

The research aims are design to analyze the impact that logistics has on the financial performance of an organization. For the analysis to follow, the case organization is PSO. The research aims to follow the following objectives:

- To study the concept of financial performance and its importance during the lifetime of an organization.
- To analyze the role of logistics in the growth of an organization.
- To evaluate the impact which logistics has on the financial performance of PSO.
- To provide recommendations to improve the impact which logistics has on the financial performance of PSO.

1.4 Research Question

The research questions are considered to complete the study systematically and fulfill all requirements of objectives. Following are questions which researcher follows to complete study effectively:

- Why are logistics operations significant in an organization?
- How management handle logistic challenges?
- What benefits a firm can achieve when they have sustainable logistic operations?
- What are the activities of the logistic that has an impact on the financial performance of PSO?

1.5 Problem Statement

More recently, PSO has emerged as the savior for people during fuel outages and crisis. This has resulted in the rise in popularity and made it one of the best providers for fuel in Pakistan. This prompt delivery of products even as the country plummeted into shortage display the effective management of logistics for the entity. This is the same reason that has led to develop research concerning PSO and its logistics impact on the organization's financial performance as one of the leading petroleum and oil suppliers in the country, logistic and business performance analysis, or even being part of any such research is scarce for PSO. This is where the research to follow shall address the problem.

1.6 Research Timeline

The research timeline plays a significant role as it provides structure to study. It helps the researcher to complete the study systematically and fulfill all requirements effectively. Following is a study timeline which will be followed by the researcher:

2. Literature Review

2.1 Significance of Logistic Operations

According to Davoudi Kakhki, Freeman, and Mosher (2019), firm performance is mainly focused by leaders, and for further growth of an organization, strategies are designed. Logistics is one of the significant function which has a direct impact on overall firm performance. Logistics services of an organization must be reliable as it delivers the products to customers. Logistic operations are linked with the supply chain, which focuses on designing, regulation of forwarding, implementation, analyzing backward flow and shortage issues, keep complete information related to good and service. Capacity management is also focused as it enhances service performance and allows management to work with flexibility. As per the study of Kimitei et al. (2019), logistic operations are significant as they are linked with seven factors: sales growth rate, profit, operation costs, customer relationship, market share growth, and customer satisfaction. These factors allow leaders to measure firm performance and focus on strategies that can further enhance the final product and service. In logistic service, competitive advantage is considered because customers want secure services and willing to get it from professionals.

In view of Islam and Siddiqui (2019), logistic operations support a company in each operation as it is the base of each function. The logistic operations are essential because they promote economic development and play a significant role in the oil and gas industry. There are technical issues in the oil and gas industry, and rapid production needs are observed because of changes in demand and supply. However, in these stages, when logistic operations are accurate, they benefit the overall organization and improve performance. According to Marzuki and Sularso (2018), there are

challenges in each industry due to globalization and intense competition. Stability in business is essential in every operation, from production to delivery of a product. For that, technology is being used by management to deliver goods to customers as it can fulfill their needs. In all operations of the organization, to complete processes, logistics is playing a significant role. If the organization does not get material on time and cannot deliver goods in desire time, they might lose their competitive advantage, which is secure in the current era because of logistics.

1.2 Analysis of Logistic activities in Oil and Gas Industry

In view of Muhindo, Zhou, and Mzuza (2014), business strategies are designed to meet internal and external requirements. Logistics activities are essential and challenging due to which it is being focused. Firms are likely to cut costs from logistic operations and make it sustainable to deliver services on time. However, oil and gas companies are outsourcing their logistic activities as the industry itself is challenging. In Europe, outsourcing of the oil and gas industry is common as the action is taken to operate functions effectively. According to Islam and Siddiqui (2019), the oil and gas industry focuses on the international standard of working and considers all legal factors to avoid any kind of problem. There is competition among firms due to which firms are focusing on logistic activities to achieve competitive advantage. Technology in infrastructure is used to fulfill the demand of the market. Oil and gas managers are using airports, roads, and seaports to deliver services on time. The different routes can create sustainable operation for business, which enhance the overall structure of logistic operations. Furthermore, the decision-makers of the oil and gas industry are experts. They are more focused on innovative practices and following proper regulation system. Also, communication is being promoted to overcome challenges.

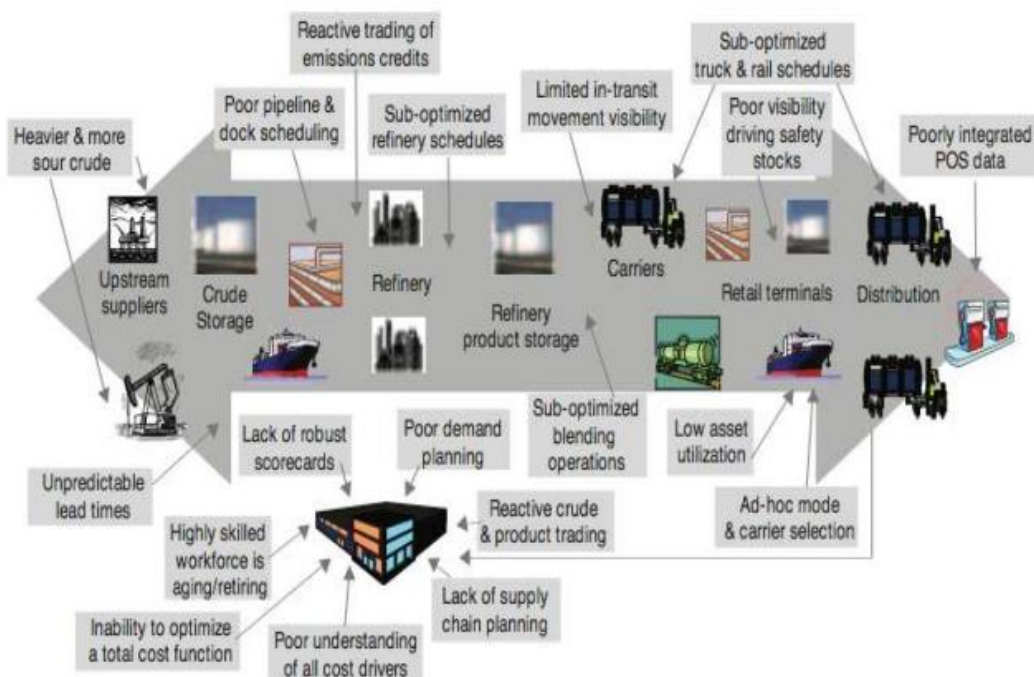


Figure 1: Oil and Gas Industry Supply Chain Challenges

Source: (Gaghman. 2020)

As per the study of Deng and Yu (2018), logistics operations in Pakistan oil and gas industry are considered, and for enhancement long-run planning is encouraged. For the development of the economy, actions are taken by experts. China-Pakistan economic corridor is developed, which is supporting the logistic operations of every industry, and it is enhancing trade operations. According to Ruqaishi and Bashir (2015), Gulf countries are focused on oil and gas projects as their economy is mainly dependent on the industry. There is a delay in construction because unrealistic goals were designed, strategies were misaligned, and logistics services were not delivered on time. Logistic operations play a significant role because they deliver the product to its final destination for customers or internal company operations.

According to Jermittiparsert *et al.* (2019), multiple companies provide logistic services to different industries so they can effectively maintain their operations. As per the study of Zeb et al. (2015), in Pakistan, regulatory bodies are focus on the oil and gas industry for economic development. There are issues in governance due to which unsatisfactory results are seen. For better performance of the oil and gas sector, government and authority bodies (OGRA and NEPRA) are willing to work together. They are focusing on logistics and analyzing issues that are increasing the cost of operations. Logistics is considered because it helps to implement plans effectively.

2.3 Globalization and Logistic Operations

According to Deo and Deshmukh (2020), companies' manufacturing process is performed at a global scale as joint ventures, outsourcing, and strategic alliances become common practice. There is great potential while working on a global scale as firms get multiple opportunities, and their network grows. In view of Vidrova (2020), the supply chain has a relation with the expanding network of an organization. The supply chain process has complete flow, and logistic operations support it.

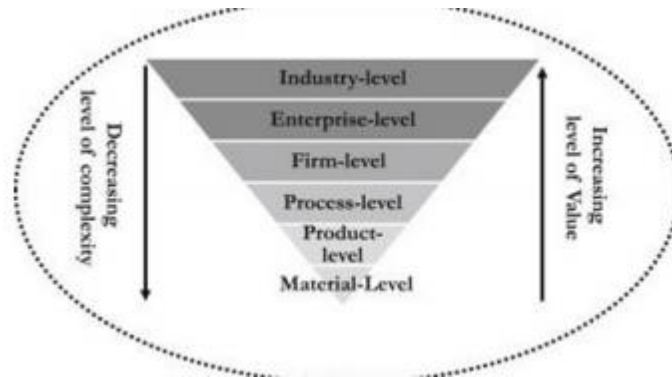


Figure 2: Value chain and complexity of supply chain

Source: (Vidrova, 2020).

The organization is using complete supply chain operations to fulfill all requirements of business in which a major role is played by logistics (Vidrova, 2020). In view of Ceniga and Sukalova (2020), transportation plays a significant role in the logistic process, which is a link with financial performance. Transportation has a relationship with other logistic operations, which include material handling, storage, inventory management, procurement, information system management, and customer experience. All operations are part of logistics because the network is expanded on an international scale. In the current era, green logistics is being promoted globally to avoid any kind of negative impact on the environment. The logistic operations have an impact on global practices because business needs to follow international standards of logistics to stay competitive in the market.

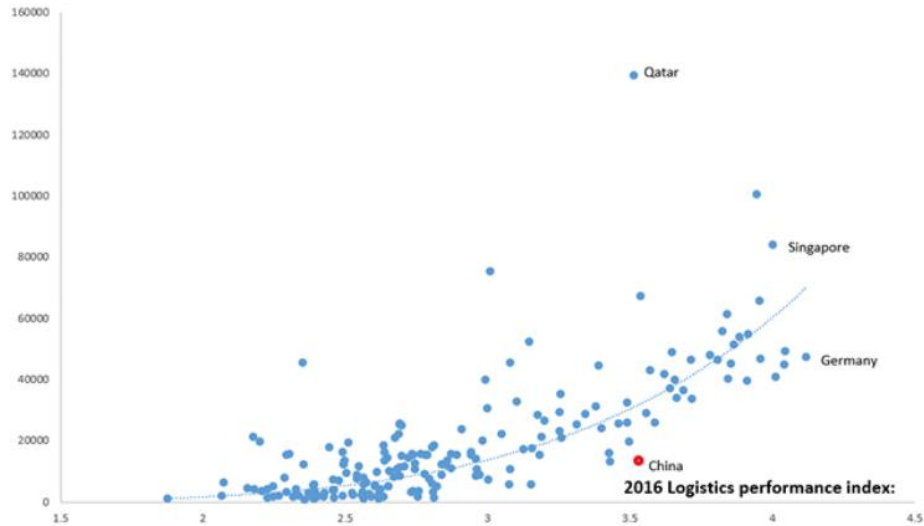


Figure 3: Global Logistics Operations

Source: (Glibson, 2020).

In view of Glibson (2020), logistics is important for growth and development, and it is impacting the GDP of the country positively. Proper logistic operations enhance the firm's presence in the domestic and international markets. As per the study of Richnák and Porubánová (2017), globalization is integrated into regional economics, culture, policymaking, and industries. The network is being expanded in all dimensions due to which businesses are taking actions as per the global environment. In the era of globalization, logistics is a strategy that is a link with time, goods, people, and distribution of resources, capacity management, information handling, and complete process of handling operations. Logistic services are being used by leaders to achieve competitive advantage as it helps in casting, project management, and managing information technology. However, due to globalization, there is proper planning of logistic operation because it involves production, quality management, storage, transport, and handling and recycling operations. In past logistics was the flow of information, deliver quality service at the right time to the right place in a cost-effective way.

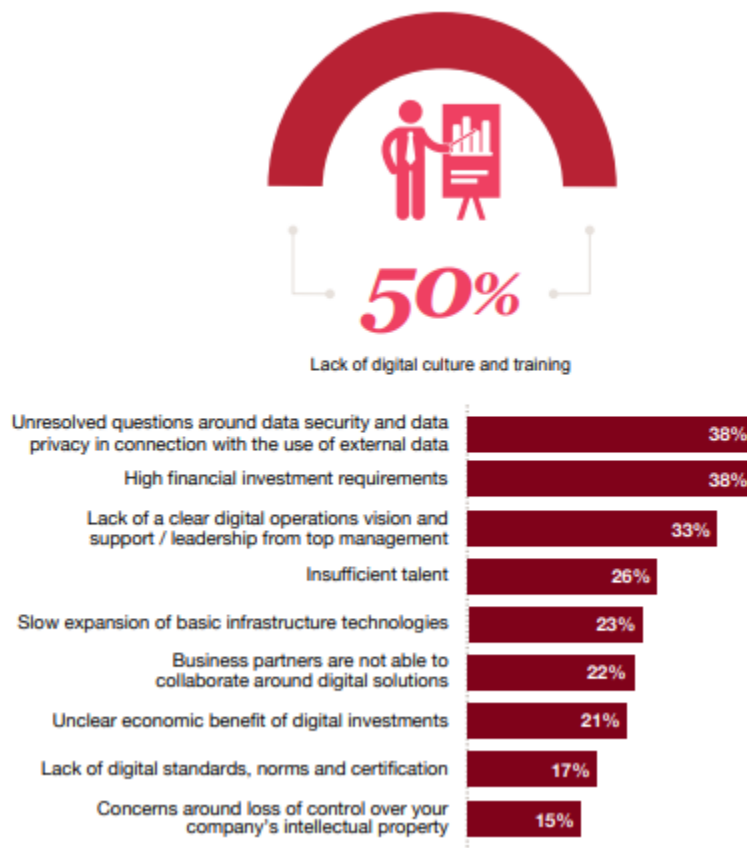


Figure 4: Common Challenges of Logistics Faced by Firms Globally

Source: (PWC Report, 2016).

In light of the PWC Report (2016), the global business faces challenges in logistic operations due to a lack of digitalization. When logistics firms have complete information about the market, they can capture new opportunities for business, improve performance, and offer better services to customers. It also enhances the capacity and forecasting and planning. To further improve the supply chain and overcome challenges, artificial intelligence is promoted as it provides information about market behavior.

Factor Influence on Logistic Operations of Organization

In view of Hill (2018), globalization has an impact on logistic operations because there is significant growth in the market, and business is growing overseas. The logistics play a significant role when business expand their operations at an international scale because the home country and host country mostly operate together in initial days. However, other than that, new technology also has an impact on the logistic operations of an organization. The changes in technology do have an impact on business operations. The management is implementing updated technology to meet the demand of customers. Further, logistic operations get affected when there are changes in cost,

demand, and supply. If the cost of logistics is increased, managers will find solutions and consider alternatives because it will increase the overall cost of business.

Further, according to Kellerman (2020), when there are changes in supply and demand, changes are made in logistic operations too. When there is less demand, activities of business reduce, which provide leverage in logistic operations. But, when there is high demand, it increases supply operation, and it became critical to handle operations. There are challenges because logistics are involved in production and manufacturing. One major factor is tariffs; when firms deal at an internal scale, and there are changes in tariffs, it influences a firm's logistics operations. Some companies have complete structure and prefer working on free trade zones to reduce logistics operation costs. The main reason that logistic operations are emphasized as it gets influence easily because it is complex and requires error-free work.

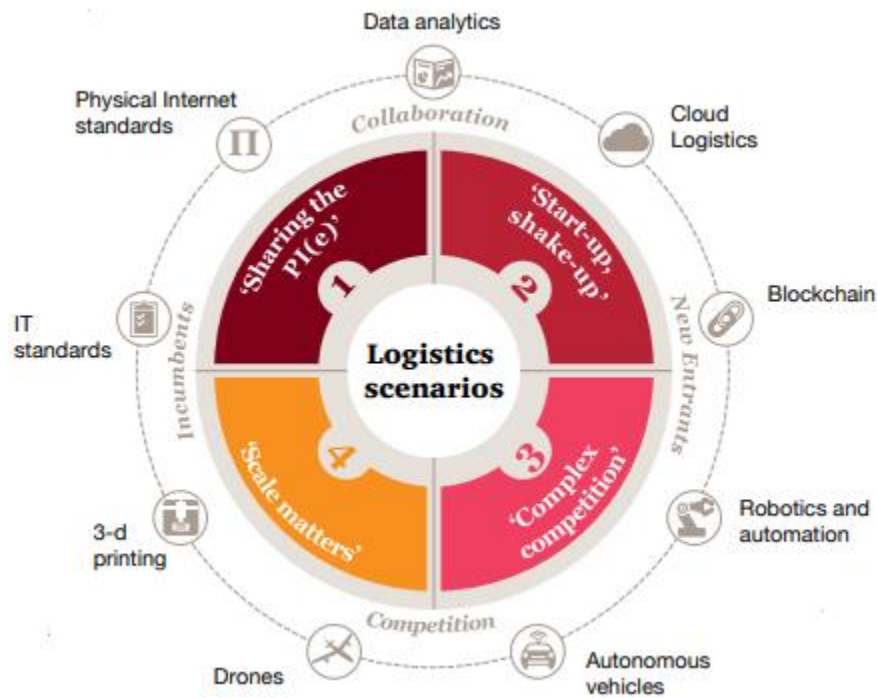


Figure 5: Logistic Scenarios

Source: (PWC Report, 2016).

According to the PWC report (2016), logistics scenarios are considered because these are factors that have an impact on firms' operations. In view of Haag and Sandberg (2020), the logistic operations change when management starts operations in a new market. When an organization grabs new opportunities and focuses on different strategies, they need to consider logistic operations as it a paly major role in business. Other than that, logistic operations are significant as they provide benefits to the country's economy due to which it is being promoted. Firms emphasize logistic operations and design strategies to avoid any kind of challenges as it gets influence by

different factors, which in the end, disturb all business operations. Proper communication is promoted in business to achieve logistic goals and enhance the quality of goods and services.

2.4 Financial Performance and Its Role in Organization Development

According to Yesil and Kaya (2013), organization performance is measured at multiple stages because it is linked with the company's financial performance. Financial performance is considered because it is linked with the profitability and growth of a company. As per the study of Cegarra-Navarro et al. (2016), businesses adopt different practices to manage their financial performance because it further leads towards strategic operations, development of technology, and promotes growth and development in the company. Firms consider financial growth because they need to overcome market and economic challenges. Leaders do focus on stakeholder satisfaction to perform business operations effectively. Also, CSR practices are promoted in firms to manage relationships with customers because it enhances revenue and profitability. According to Parola. Satta and Panayides (2015), logistic operations are unstable because of the imbalance between revenue and operations. The irregular activities of a business have an impact on financial performance. However, logistic operations do have an effect on economic challenges due to which managers are designing corporate strategies. The actions of logistics are taken carefully because it has an impact on financial performance. Corporate strategies and profitability are designed to perform business operations effectively. Managers are designing business portfolios to enhance profitability and to gain revenue from different sources. These corporate strategies are designed to achieve financial goals and to attract more customers. When businesses offer multiple products, they are likely to get more sales because of enhancement in the product line, which positively impacts the growth of an organization. In view of Danso et al. (2019), the corporate system and business structure are being considered for the development and growth of the organization. In the modern business era, organizations are enhancing their financial performance by satisfying stakeholders. Managers perform practices as per the need of the market and take proactive decisions to improve overall organization performance.

2.5 Impact of Logistic on Financial Performance of PSO

As per the study of Chienwattanasook *et al.* (2019), logistic operations are being considered in the organization because it leads to development. The management is focusing on the management of resources to capture financial goals. According to PSO Annual Report (2018), PSO is fulfilling the oil demand of Pakistan multiple industries and dealing with diverse consumers. PSO is dealing with market challenges and following standards of operations. The company is working with a complete structure because there are changes in sales of the company. As per statistics, it has been found that PSO overall sales had increased by 26.4% in 2018. Also, the demand for a local airline is increased by 9.1% due to operations need strategic planning. PSO is one of the top exporters of Pakistan. The company managed to stay competitive in the market, deliver high-quality products,

and provide better services to customers and performing logistic operations effectively. As per PSO Annual Report (2018), the organization is dealing with different dynamics, and management is capturing new opportunities to enhance financial position. The logistics operations of PSO are linked with financial performance because efficient transportation is making the organization successful. The experts of PSO are maintaining logistic operation and make sure that their supply chain operations are uninterrupted.

According to the official website of PSO Releases (2017), PSO is leading in the Pakistan market, and management is taking action for growth. Managers of PSO signed the contract with Pakistan railways to enhance its supply chain operations. The contract is signed with the railway's department for logistic operations as it reduces the cost of operations, which provide financial benefits. The actions are taken to stay competitive in the market, and it also improves logistics functions. As per PSO Press Release (2013), the management performing business operation with compliances and analyze future challenges to deal with them effectively. Standardize working is promoted in PSO, and they are performing transportation activities effectively. The management is supporting logistic teams and has the vision to provide uninterrupted fuel supply nationwide and, in the future, become a global player. The management has official business partners to deal with logistic operations, which can provide financial benefits. However, according to the official website of PSO (2020b), the management is training there people at each stage to maintain logistic operations. PSO is following standards of ISO 9001:2015, which address operations of the supply chain and promote user-friendly service. The leadership culture is promoted along with structural practices that are encouraged to deal with logistics operations' effectiveness. The logistic operations impact the financial performance of PSO due to which management is designing business strategies and focusing on growth and development.

2.6 Kaizen Method

According to Carnerud, Jaca, and Bäckström (2018), kaizen aims to improve productivity, the safety of operation, effectiveness, and waste reduction. The approach is being adopted in logistics operations to get the following benefits:

- Improved retention
- Less waste
- Employees' commitment and satisfaction
- Market competitiveness
- Teamwork
- Problem-solving behavior
- Customer satisfaction

The Kaizen method is being adopted because it increases the profitability of an organization and provides benefits to both the environment and the firm.

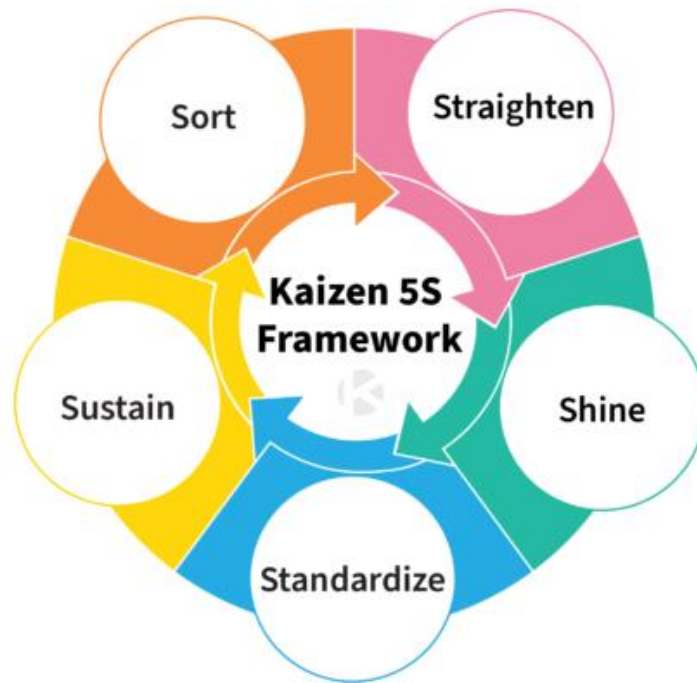


Figure 6:5s Framework of Kaizen

Source: (Martin and Osterling, 2017).

| Sort | Organization | Segregate needed raw material and discard unneeded items |
|-------------|----------------------|---|
| Straighten | orderliness | Keep raw material at the right place to perform operation systematically. |
| Shine | Cleanliness | Keep workplace clean |
| Standardize | Standardized working | Adopt a consistent work approach to accomplish goals in the desired way. |
| Sustain | Discipline | Maintain the working process |

2.7 Just-in-Time

In view of Lai and Cheng (2016), just-in-time is an inventory management technique that is linked with supply chain and logistic operations. Just-in-time strategy help to deal with suppliers directly, and it improves the production process. It reduces the cost of operations and helps management to enhance the process of production. The method requires an exact forecast of demand which needs

to be produced. Through this, proper planning can be done by leaders that can improve the overall logistic operations of an organization. It is being promoted in the supply chain and logistic operations of the firm because it has lower inventory holding costs; it can improve cash flow and less dead stock. It reduces challenges related to the surplus of inventory due to which method is being adopted by management.

2.8 Empirical Studies

According to Grischenko et al. (2016), operation planning is promoted in logistics to deliver services on time. The business is promoting auditing in logistic operations to analyze the distribution system and to enhance challenges during logistic movements. The documentation is promoted in logistic operations because it encourages accountability and improves overall practices. The experts in logistics to gain information from marketing channels while designing strategies for logistics as it has an impact on firms' practices. On the contrary, as per the study of Bealt, Barrera, and Mansouri (2016), humanitarian logistic is one of the branches of logistic which is being used in the organization when operations are critical. It is a sustainable operation that fulfills the demand of the supply chain and delivers goods on time, enhancing the overall logistic operations of an organization. However, humanitarian logistics is mainly used for the safety of people.

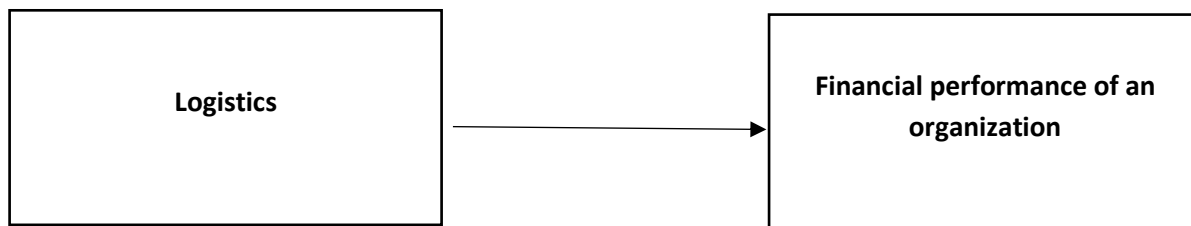
On the other hand, as per the study of Wamba et al. (2018), to gain complete information related to logistic operations and behavior of the economy, big data is being considered by organizations. It provides real-time information that enhances the decisions of management. Big data also improves employee's performance as they have complete knowledge about business operations. In contrast, according to Muhindo, Zhou, and Mzuza (2014), logistic services in the oil and gas industry are critical as they start from supplier to manufacturer, distributor, retailers, and then consumers. It is a mixture of inbound and outbound activities due to which logistics operations greatly impact firms' operations. Some oil and gas industry firms adopt outsourcing strategies to enhance their logistics operations and stay competitive in the industry. The oil and gas industry is critical because of the nature of the work and effect of external factors such as economy, law, and global policies.

On the contrary, in view of Rincon (2019), IT practices are being used in oil and gas logistic operations because they provide an organization's infrastructure. The management of the oil and gas industry is using innovative techniques in business operations to keep an eye on the market and get complete information related to business activities on time. Through this, communication can be promoted in business operation, which improves practices of logistics, and in the end, it impacts positively on the financial performance of an organization. Similarly, as per the study of Gaghman (2020), supply chain management operation has multiple risks due to which management gains information related to the industry's behavior. The organizations that are performing operations in the oil and gas industry divide practices in different departments to deal

with supplier networks effectively. These actions are taken because there is a risk in business operations and management of the oil and gas industry needs proper planning to deliver desirable services successfully.

Similarly, according to Rossit *et al.* (2020), the oil and gas industry requires heavy investments due to which revenues are usually high. Companies need to stay competitive in the world and maintain public relations. The logistic operations in the oil and gas industry are mainly divided into upstream logistics, which focus on main oil wells, the needs of suppliers, the extraction of oil and downstream logistics, which aim to deliver oil and gas to its customers. In some cases, oil and gas firms offshore their business operations to enhance business practices. One on one, as per the study of Yang *et al.* (2019), energy needs to be increased in the economy rapidly, and they are important for the growth of the country. The logistic operations of each business have a need for oil and gas do you which it must be delivered on time. The business operations are mainly dependent on the oil and gas industry, and it is one of the basic components. For sustainability, organizations design logistic operation strategies to perform business operations conveniently.

2.9 Conceptual Framework



The study's conceptual framework shows that logistics is an independent variable that impacts the financial performance of an organization. Logistic operations play a significant role in the firm as they are connected with all functions. However, logistics impacts financial performance because when management is able to deliver goods on time, and customers are satisfied, it enhances profitability. It is a complete system that is involved in supply chain operation and enhances the overall process of an organization. In view of Richards (2018), organizations control their supply chain process and keep information related to the storage of goods, services, and consumption points. The overall supply chain process is linked with logistic and financial goals because it helps management to achieve desired goals. The operation and logistic managers monitor the inflow and outflow of raw material to perform seamless operations. The managers do promote collaborative practice because production operations are linked with all departments, and it has an impact on organization revenue. Collaborative working is promoted as it makes the organization competitive in the market. The researcher discusses all factors of logistics and how they are impacting the financial performance of an organization.

3. Methodology

3.1 Research Philosophy

According to Silvermen (2016), research philosophy is being considered because it provides structure to research. It is a phenomenon that is being adopted to gather, analyze, and conclude data. The philosophy help researcher in gathering further information and selecting techniques for research. The commonly used philosophies' are positivism, interpretivism, pragmatism, and realism. In view of Worthington and Bodie (2017), the positivism approach is being adopted when researchers need statistical information and mainly focuses on facts and figures. It identifies relationships and correlation among variables. It is primarily adopted when the nature of the study is quantitative. However, interpretivism philosophy is being chosen when detailed information is needed. The qualitative sources of information are mainly focused, and the researcher captures information from small size because there is no limitation. Realism is chosen when the subject of the study is the link with the real-life event. The method is critical to study because information can be gathered from people who experienced the event.

In the current study, the researcher has been adopted pragmatic philosophy as it deals with qualitative and quantitative sources, which is a requirement of the study. The researcher can address the problem with the help of a qualitative source. The researcher can study the issue in detail. However, quantitative information helps to highlight relationships among variables and conclude finding of the study effectively.

3.2 Research Approach

In view of Creswell (2014), the research approach is a complete procedure that focuses on assumptions to collect information, analyze, and interpret it. The reasoning is considered to gather information systematically. Inductive and deductive are research approaches that are mainly adopted by researchers. According to Mertens (2014), experts mainly adopt the inductive approach as it focuses on the general concept, and then on the basis of observation and testing, researchers design new theory. In an inductive approach, the conclusion is untested, and research move from generalized concept to a specific concept. The data collection is mostly qualitative, and researchers follow a different pattern as there is no structure. The researcher generates new theories after testing it multiple times.

The present study mainly focuses on the deductive approach because logistics is an existing concept. The researcher will modify the idea by adding information about new tactics for how firms can enhance their logistic operations, which further improve financial performance. The research is specific because objectives and hypotheses are generated at the start of the study. However, the researcher derives information from both qualitative and quantitative sources to enhance findings. The researcher can measure relationships among variables and highlight

challenges that are being raised while managing the logistic operation and financial performance of an organization. Also, the study mainly focuses on PSO to provide more specific results.

3.3 Research Strategy

In view of Gray and Malins (2016), the strategy plays a significant role in the study because it is linked with approach and philosophy. It provides direction to researchers in fulfilling the requirement of the study. According to Gray (2019), there are multiple research approaches, which include grounded theory, survey, experiment, action research, case study, and many more. The researcher considers the method as per the requirement of objectives.

Grounded theory and survey strategy have been adopted for the current study because it can fulfill the requirement of objectives. Grounded theory is a systematic review that can be selected in the deductive approach, and it provides detailed information. The grounded theory addresses the interview requirement as it focuses on in-depth knowledge that can be gained from the manager. It is a source that gives information about new innovative concepts that can enhance the findings of the present study. PSO is one of the leading companies in Pakistan; managers can share logistic tactics that can provide benefits to all firms in the oil and gas industry. However, a survey strategy is adopted to gain more concise information as it gives numerical data that help in statistical testing. The strategy is less time consuming and requires limited resources. The survey provides a large number of data that identify relationships among variables to fulfill the needs of objectives.

3.4 Research Method

In view of Taylor, Bogdan, and DeVaul (2015), qualitative, quantitative, and mixed are three methods of research that are being adopted to complete study effectively. Qualitative sources are considered because they provide complete information and study each aspect of the problem. It focuses mainly on research questions and focuses on the quality of data. It is being adopted to deal with issues that require more research and information. One on one, the quantitative method is more specific but provides limited data. Quantitative focuses on the quantity of the data and provides numerical information. The closed-ended questionnaire is used to secure time, and it helps researchers to get concise information.

The mixed-method has been adopted as it focuses on both qualitative and quantitative methods. It is a requirement of research philosophy, and it fulfills the need of objectives too. Qualitative and quantitative methods meet requirements as they have multiple tools to gather information as per desire.

The interview has been adopted to fulfill the requirement of the research strategy. The researcher targeted managers because they can provide detailed information about PSO practices because they are at a leading position and face challenges related to logistic and financial performance management. However, for quantitative data questionnaire has been used because it can capture employee's opinions. The closed-ended questionnaire has been used, which can complete the need for the study.

3.5 Data Collection Method

According to Ørngreen and Levinsen (2017), data collection methods are important because it allows researchers to complete the study successfully. Without data, researchers cannot conduct the study because it is an initial requirement. However, primary and secondary sources of data collection are mainly considered as collaboratively; both methods can fulfill research requirements effectively. The primary source is being considered when researchers need more specific information because it is time-consuming and expensive.

The researcher adopted both methods of data collection because it is the need for the present study. However, primary sources have been considered because it provides real-time data and more reliable information. The researcher is gathering First-hand information as per the need of research question and objectives. However, the primary method is considered because it has multiple sources, including observation, experiments, questionnaires, interviews, and many more. It is a time-consuming method but improves findings. The researcher has been used interviews and questionnaire sources because it provides accurate and reliable information. In light of secondary sources, information has been derived from prior studies, news, reports, records, books, and other online authentic sources. The method has been considered as it fulfills the requirement of research literature and consumes less-time. The secondary information is authentic because it is published data.

3.6 Sample Size and Technique

In view of Taherdoost (2016), the sample size of a study is important because it presents information about the population. The selection of sample size is technical, as it must present the opinion of the whole industry. In the current study, the researcher mainly focuses on PSO, but the findings of the study can be implemented on the oil and gas industry because all firms are operating in Pakistan. The firms are working in similar environments and facing the same challenges in logistics. For questionnaire sample size is 150 as it takes minimum time and provides authentic information. However, five managers' interviews have been conducted because there is no barrier, and respondents can freely present their opinions without considering the barrier of time.

Two sampling techniques are commonly adopted, which include probability and non-probability. The probability sampling method is adopted when the researcher gain information unbiased.

Probability sampling has further techniques, which include sampling-random, stratified random, random cluster, and systematic. However, non-probability sampling is adopted because it helps to gain information from most appropriate respondents. Non-probability further techniques include consecutive, convenience, snowball, judgmental, and quota. The researcher adopted the non-probability method because it helps in obtaining information from respondents who can provide accurate information. Snowball sampling has been adopted for an interview because one respondent can provide a link to other respondents. However, judgmental sampling is adopted because, in this, the researcher can gain information from respondents who are part of PSO.

4. Data Analysis

According to Kumar (2019), data analysis is important as it process that combines distorted data in useful information that help in concluding findings. Researchers adopt different methods and software to analyze the gathered data effectively. SPSS, AMOS, and Excel are some common software that is being adopted to complete the requirement of data analysis. These are software that can deal with a large number of data, and it helps researchers conduct the desired statistical test to conclude the study's findings.

However, for the present study, SPSS has been adopted to gain information about the reliability and validity of the data. One on one, SPSS highlights the relationship and correlation among variables and provides information about the impact of independent variables on the dependent variable. As per Flick (2015), qualitative analysis is important because it has detailed information that needs proper management. However, for qualitative analysis, the researcher can use multiple software and tactics. The software for qualitative analysis is Qiqqa, Qurikos. MAXQDA, and many more. Researchers also adopt techniques, which include coding analysis, transcript management, and thematic approach. For the current study, the researcher adopted a thematic approach because it enhances findings and creates a better understanding. The researcher present collected information in themes to conclude results effectively.

4.1 Reliability and Validity

According to Flick (2015), reliability and validity are concepts that are being adopted to analyze the quality of the researcher. Validity and reliability provide information related to techniques, approaches, and philosophies that are appropriate for a study or not. The researcher measure reliability of the gathered data with the help of a statistical test. In the current study, the concept of validity and reliability is considered. The researcher adopted philosophy, approaches, and techniques which are linked to each other.

Further, SPSS software has been used as it can provide information related to the validity and reliability of primary data. It further enhances the credibility of findings and helps the researcher

to complete the requirement of the objectives. Also, to maintain the research standards, the study's ethics are considered as it has a positive impact on the quality of research.

4.2 Ethical Consideration

In view of Mackey and Gass (2015), ethical consideration is important because it allows researchers to conduct the study as per standards. Ethics for study is important; either study is qualitative or quantitative. For the current study, ethics of study are considered to fulfill the requirement of the primary source. The researcher first took consent from all respondents and provided complete information to participants before taking any data. The researcher does not gain any knowledge forcefully as it is part of ethics. Furthermore, the researcher treated employees anonymously because they were not willing to provide personal information. The researcher properly secluded interview sessions with managers and conducted interviews when managers were free. The researcher did not interfere in the personal space of managers, and as per their desire, interviews were conducted. The interviews were also conducted on phone calls and zoom due to a pandemic situation. One on one, the researcher does not share primary information with anyone and kept it secure. Also, the analyst will destroy primary information once the research gets publish and will not use it for any other purpose. There are ethics related to secondary information which are being considered by the researcher. The researcher derived information from multiple sources such as prior study, PSO website, books, literature, books, and news. The researcher provided credit to each author of the study and does not copy any information. Any information in the study is not fabricated, and the study is plagiarism-free.

4.3 Findings and Discussion

Questionnaire Analysis

Demographic

- From the survey, the first question is related to the gender of respondents. 69.3% of respondents were male, and 30.7% of participants were female.
- Diverse data is being gathered as it can be seen respondents have different experiences. 44% of participants have experience of 2-4 years, and 28% of respondents have experience of 5-7 years. One on one, experts of the industry are also part of the survey as 6% of respondents are part of the oil and gas industry for more than ten years. Also, 12.7% of participants are working in the industry for 8-10 years. Furthermore, the remaining participants are working for less than two years.

Logistics

- 68.7% of participants agree on the statement that, in your opinion, logistic operations are essential for the growth and development of an organization. However, there are more positive responses observed on the statement as it can be seen around 14.7% strongly agree. 2.7% participant strongly disagrees, and 7.3% disagree that, in their opinion, logistics operations are essential for the growth of the firm. There are neutral responses related to the statement mentioned above, as 6.7% of respondents were unwilling to give any opinion.
- The majorities of respondents strongly agrees and think that communication is essential to improve logistic operations. One on one, 39.3% had a positive response towards the statement that they believe communication is key to enhance the firm's logistics operations. 6% strongly disagree as they had adverse opinions related to the statement that communication can improve the process of logistics. 4.7% of responses are neutral as they neither agree nor disagree with the above statement of the questionnaire. Similar goes with the 4.7% respondents; they disagreed because they have different opinions.
- In your opinion, can a firm's logistic functions be improved with proper planning and risk management strategies, on the statement, 7.3% had an adverse idea, and they disagreed. However, 4.7% neutral responses and 3.3% of participants strongly disagree on the questionnaire's statement. The majority of responses are positive, as 46.7% agree that proper planning and risk management strategies can enhance the firm's logistics operations. One on one, 38% of respondents strongly agree that appropriate planning and risk management are need for sustainable logistics operations.
- 48% of respondents agree that an organization can achieve financial goals with the help of sustainable logistic operations. Around 35.3% strongly agree that organizations can obtain financial objectives when they have stable logistics practices. One on one, 5.3% strongly disagree, and 6% disagree on the statement of the questionnaire. However, the remaining respondents did not present any opinion and acted as neutral on the statement that stable logistic operations help management in achieving monetary objectives.
- I think PSO is using new tactics to maintain its logistics operations as they are serving nationwide, on the statement, 31.3% strongly agree, and 3.3% strongly disagree. More than half of respondents agree that PSO is adopting new tactics to sustain its logistics operations to fulfill the nation's demand. However, 31.3% strongly agree that PSO is focusing on new business tactics for the logistic operation to serve the nation's demand effectively.
- PSO logistics operations get impacted because of multiple factors. However, around 42% believe due to changes in laws, logistics operations get impacted. One on one, 37.3% believe that logistics operations get affected because of demand, and 8% think that changes in capacity impacted logistic practices of PSO. 14.7% believe that technology effect on logistic services of PSO (Pakistan State Oil).

Financial Performance

- 60% believe that financial performance enhances decision-making and helps leaders grab new opportunities for business. 25.3% strongly agree that firms' financial performance is essential because it allows management to capture new opportunities and help in making decisions that can provide benefits to the firm for the long-run. 4.7% strongly disagree, 5.3% disagree, and 4.7 acted neutral on the questionnaire's statement.
- 6.7% strongly disagree on the statement that management of finance is essential for PSO to stay competitive in the Pakistan market. One on one, around 38% strongly agree that finance is need for PSO to sustain their position in the market. The majority of participants agree on the above mention statement of the questionnaire. However, 5.3% disagree, and 4.7% neutral responses are observed in the statement that financial performance sustainability is essential for PSO to maintain their competitive position in the Pakistan market.
- I think leaders can enhance financial performance by using new logistics tactics as it can improve the performance and revenue of an organization; on the statement, around 46.7% of respondents strongly agree. However, 38.7% agree that leaders can enhance financial performance by adopting advanced logistics techniques as it can also improve the performance and sales of an organization. 6% strongly disagree with the statement that leadership can improve financial performance by adopting logistic tactics for business. One on one, 4.7% disagreed and showed a negative response to the questionnaire's statement, as mentioned above. However, around 4% of neutral reactions are being observed on the statement that logistics tactics can be adopted by management to improve the organization's revenue and overall financial performance.
- 46.7% agree that I believe PSO leaders are maintaining financial performance to fulfill their goal, which is related to becoming a global player. On the other hand, there are also negative responses observed in the questionnaire's statement. 5.3% strongly disagree that PSO leaders are focus on financial performance to attain the goal, which linked with becoming a global player. Similarly, 4% of neutral responses are observed in the statement. However, 6% has an adverse opinion on the statement that to become a global player, PSO leaders are maintaining their financial performance.
- I think PSO revenue is increasing because of a stable logistics operation that is fulfilling the company's financial goals; on the statement, 49.3% agree. However, 36.7% strongly agree that sales of PSO are enhancing because they have sustainable logistic operations. One on one, 5.3% strongly disagrees with the above mention statement of the questionnaire. However, 5.3% disagree that PSO can achieve financial goals with stable logistic operations as it increases revenue. Only 3.3% of neutral responses are seen in the above mention statement.

Statistical Analysis

SPSS is used to analyze the authenticity of the gathered data. The test enhances the credibility of findings and provides information about the impact of variables on each other.

Table:1 **Descriptive Analysis**

| | | Statistics | |
|----------------|---------|------------|---------|
| | | L | FP |
| N | Valid | 150 | 150 |
| | Missing | 0 | 0 |
| Mean | | 1.9633 | 1.9467 |
| Median | | 1.6667 | 1.6000 |
| Std. Deviation | | 0.85156 | 0.96785 |
| Variance | | 0.725 | 0.937 |

The descriptive analysis is conducted to gain information related to missing values. It improves the credibility of testing. It can be seen from the above table that there is no missing value of any variable. However, the variance of logistics is 0.725, and the variance of financial performance is 0.937.

Reliability Test

The reliability test provides information related to dependability of variables. It plays a significant role in experimental researches when tests are conducted multiple times. It shows that the gathered data of the study is credible or not. It is used to measure the consistency of gathered data as it most important step. It provides information that data is credible enough to conduct a further test or not.

Table: 2 **Reliability Statistics**

| Cronbach's Alpha | N of Items |
|------------------|------------|
| 0.968 | 11 |

The above table presents the reliability information of the present research that is the impact of logistics on the financial performance of an organization—a case of Pakistan State Oil (PSO). The value must be higher than 0.5, which shows that gathered information is credible. For the current study, Cronbach Alpha is 0.968, which indicates that present study information is highly reliable. If the study's data is not reliable, the researcher needs to conduct the survey activity again to make sure the information is reliable.

Correlation Test

After the reliability, a correlation test is conducted to understand the impact of variables on each other. In the current study, logistic is an independent variable which is indicated by L. One on one, FP is indicated with a financial performance which is the dependent variable of the study.

Table:3 Correlations

| | | L | FP |
|----|---------------------|--------|---------|
| L | Pearson Correlation | 1 | 0.931** |
| | Sig. (2-tailed) | | .000 |
| | N | 150 | 150 |
| FP | Pearson Correlation | .931** | 1 |
| | Sig. (2-tailed) | .000 | |
| | N | 150 | 150 |

In the above table, correlation is mentioned that has been derived for the present study. However, researchers need to shed light on the rule of thumb before concluding results.

| | |
|-----------------|--|
| 0.2-0.3 | The relationship is weak because value as per the rule of thumb is quite low. |
| $>0.3-\leq 0.4$ | If the value is more than 0.3 and less than 0.4 or equal to 0.4, it concludes that moderate relationship exist among variables |
| >0.4 | If the value is more than 0.4, it indicates that the relationship among variables is strong. |

In light of the correlation test, it has been concluded that the relationship between logistic and financial performance is very strong as the derived value is 0.931. The result concludes that there is an impact of the logistic operation on the financial performance of PSO.

Regression Analysis

The regression test is a powerful statistical method that helps researchers in highlighting relationships among two or more variables. It examines how one variable is impacting another variable.

Table:4 **Model Summary**

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|------|----------|-------------------|----------------------------|
| 1 | .931 | .867 | .866 | .35427 |

The above mention table focuses on r-square value as it proves the impact of variables. As per the standard value, r-square must be greater than 0.50 to prove the impact of a variable. In light of the above table, it can be seen that the derived value is 0.931 or 93.1%. This indicates that if the study's independent variable fluctuates, the same proportion of changes will be seen in the dependent variable. The financial performance of PSO is 93.1% dependent on the logistic operations of the company.

Table:5 ANOVA

| Model | Sum of Square | Df | Mean Square | F | Sig. |
|-----------------|---------------|-----|-------------|---------|------|
| 1 Regression | 120.998 | 1 | 120.998 | 964.060 | .000 |
| Residual | 18.575 | 148 | .126 | | |
| Total | 139.573 | 149 | | | |

In the ANOVA table, F value is considered, and it must be more than 3.5. As per the above table analysis, the value of F is 964.060, which shows an impact of IV on DV.

Table:6 Coefficients*

| Model | Unstandardized Coefficients | | Standardized Coefficients | | Sig. |
|-----------------|-----------------------------|------------|---------------------------|--------|------|
| | B | Std. Error | Beta | t | |
| 1 (Constant) | -.131 | .073 | | -1.797 | .074 |
| L | 1.058 | .034 | .931 | 31.049 | .000 |

a. Dependent Variable: FP

The above table also shows the relationship among variables. As per standard value, the sig value must be less than 0.05. In the above table, it can be seen that the sig value is 0.000, which means that the relationship between logistics and financial performance is strong.

Interview Analysis

In your opinion, why logistic is important for an organization?

Manager A stated:

“Logistic operations are important for the business as they help to deliver service to customers. In our organization, managers make sure the product is delivered on time because late deliveries

dissatisfy customers. PSO offers petrol, CNG, and other oils, which is the need of customers due to which logistic operation is need for the business”.

As per Manager B:

“In my opinion, a business cannot perform operations without logistics because transportation, raw material, and supply chain are essential for an organization. Without it, no business can perform any operation. But, it is important for oil and gas firms to fulfill the nation's demand. Logistics is important for the growth of every organization”.

Manager C & E:

“The logistic operations are important because it provides real-time information which provides benefit to management. It is the source through which the organization's resources move to the final destination and turn raw material into final goods. Logistics is important due to which business focuses on strategies as it helps to deliver desirable services to customers. The logistic operations are linked with the complete production of goods because of which it has more importance. Also, logistic operations help management to achieve desire goals and attain financial objectives”.

Manager D stated:

“I believe logistic operations are essential for any business because they help in producing goods and deliver them to customers in the end. The logistic operations' effective usage can reduce the cost of business, and a lack of planning can negatively impact a firm's growth”.

What are the factors that impact on logistic operations of PSO?

Manager A and E:

“PSO operations get effected due to multiple factors because it is one leading firm that is offering services to businesses and customers. Logistic managers face challenges when the cost of oil increases because it impacts all business operations, including logistics. Also, the problem arises when the law changes related to environment and business operation. One major factor that has an impact on the logistic of PSO is a change in demand. Also, challenges related to demand are frequently increasing because business in Pakistan is growing, and the aviation industry demand is significantly increasing in the last few years”.

As per Manager B:

“Logistic operations commonly get affected when there are changes in demand and supply. However, external factors and the internal environment also impact logistic operations, such as changes in strategies and technological change. In PSO, logistics strategy changes as per trends of market and changes in the industry. It is important to fulfill market demand and stay competitive in the market”.

In view of Manager C and D:

“Two managers give similar opinions as they believe that the demand of customers has a major impact on logistics operations and must be fulfilled because it can impact the brand name. The management keeps information related to changes because it has an impact on final goods. When SOPs of organization change, it impacts logistics operations because standardized operations are promoted in PSO”.

What are tactics that are being adopted by PSO managers to deal with logistic challenges?

Manager A:

“In my opinion, handling logistic operations is a critical task because it needs continuous changes. PSO is using a proper communication system to gain information about the market. Communication links logistic management with each department, which helps logistics experts to understand needs. With the help of complete internal information, leaders can design strategies effectively. However, logistic operation challenges arise because of external environment changes, and for that expert's design alternatives strategies to work with sustainability”.

Manager B & D

“Various challenges are being raised in logistic operations because PSO is working at massive scale. The management uses a different technology, which helps them manage information about logistics operations as it overcomes challenges. However, logistics leaders are using tracking technology in each activity to get real-time information, and keeping an eye on the market needs to manage practices effectively. Alternative ways are designed to meet the requirement of logistics and perform operations without any hassle. Also, while designing strategies, management gains information from a knowledge-based system that enhances the strategic design and improves overall operations. Experts are part of the team, and their prior experience is providing benefits while designing logistic strategies that enhance the overall performance of PSO”.

Manager C & E:

“Two managers presented a similar opinion as they believe PSO always design a contingency plan, which is one tactic to deal with logistic challenges. The automated system is also used in PSO to update the system with real-time information, which helps managers of logistics design strategies systematically and deal with market challenges. The managers do analyze risk because it has an impact on the overall performance of employees. Risk management reduces challenges as contingency planning help in stable working practices”.

In your opinion, how logistic operations impact on the financial performance of PSO?

Manager E

“Logistic operations significantly impact the financial performance of PSO because the firm's goals are designed to get financial benefits. The management is taking actions for growth and development, and for that, financial performance is very important. Financial performance allows leaders to grab new opportunities. All operations of PSO can be completed with logistics, which further allows management to achieve monetary and non-monetary goals”.

Manager A and C

“Logistic operations impact all departments of PSO, not only financial performance. Due to unstable logistic performance, the decline can be seen in all department performance and, if goals are not achieved, management can see it clearly in financial reports. The logistics impact financial performance because it fulfills internal operation needs and delivers final goods to the destination”.

Manager D

“I believe that logistic operations are linked with financial performance because each individual is working for financial goals as an employee's skill set, training, and other non-monetary things are secondary. The primary need for PSO and all business is finance because, without it, the organization cannot grow and not able to become competitive”.

Manager B

“In my opinion, business design strategies for logistics and other operations to gain more profitability and improve financial performance. The logistic is the primary function that can impact all department. But, customer's satisfaction and purchasing behavior also has an impact on financial performance. The management fulfills their needs by designing logistics operations and delivering services and goods on time to maintain a brand image, service quality, and eliminate shortage issues. It helps in PSO growth, and positive changes in financial performance can be observed”.

What is your recommendation for PSO and other oil and gas firms for the improvement of the logistics and financial performance of an organization?

Manager A and C

“The firms need improvement at each stage because there are changes in trends and technology due to rapid development and globalization. It is recommended that PSO and other oil and gas industry keep information about market trends, competition practices, changes in technology, and demand. The complete information improves knowledge about the industry, which can further help in planning and strategic designing. It is recommended that leaders of the oil and gas industry perform operations with new technology to stay competitive in the market and train employees at each stage to achieve desired goals”.

Manager B:

“In my opinion, for improvement of logistics and financial performance, the leaders can design alternative strategies and manage risk to perform operations with sustainability.”

Manager D:

“I believe that innovative culture and continuous support help leaders to perform logistic operations effectively as it motivates employees.”

Manager E:

“In my opinion, for the improvement of logistic operation, PSO and other oil firms need complete internal and external information. Leadership culture and employee performance can improve internal activities, which also positively impact final services. Also, it is recommended to enhance financial performance experts can satisfy customers and maintain a relationship with them for continuous growth and development”.

4.4 Findings in Light of Literature

It has been found from the literature that logistic operations are essential for the growth of the firm, and it has significant existence. The logistics operations are the need of every firm because, without it, the firm cannot operate functions. Logistic operations are linked with multiple factors, which include profit, cost of operation, market share, and customer satisfaction (Kimitai *et al.* 2019). In light of the primary source, most of the respondents agree that logistic operations are essential for an organization's growth and development. According to Islam and Siddiqui (2019), logistics function is considered because it supports each operation and also plays its role in the development of the economy. From the primary source, it has been observed that communication is the source to enhance the logistic operations of an organization.

According to Deng and Yu (2018), oil and gas industry experts are considering logistics operations to enhance planning. In Pakistan, leaders are designing strategies for logistics so they can perform trade and other activities related to business effectively. The majority of the study participants agree that the firm's logistics function can be improved with proper planning and risk management strategies. One on one, as per the secondary source, logistic is a complete process which is also

link with the financial performance of an organization (Ceniga and Sukalova, 2020). As per the primary source, firms can achieve financial goals with the help of sustainable logistics. Logistic operations deal with multiple operations, including management of information systems, customer experience, inventory management, and handling material (Ceniga and Sukalova, 2020).

However, as per the PSO Annual Report (2018), the company is dealing with different dynamics. Top management is adopting different tactics of working and obtaining financial goals to capture new business opportunities. One on one, PSO is using new tactics to maintain its logistics operations as they are serving nationwide. In light of the primary source, financial performance is considered as it enhances decision-making and helps leaders grab new business opportunities. Also, Most of the respondents believe that PSO leaders are maintaining financial performance to fulfil their goal, which is related to becoming a global player. According to PSO Press Release (2013), the PSO team of logistics has the vision to offer interrupted supply and to become one of the leading companies on an international scale. The company is working with multiple business partners to perform logistics operations with sustainability as it provides financial benefits. As per the primary source, PSO revenue is increasing because of a stable logistics operation that is fulfilling the company's financial goals. Moreover, from the primary source, PSO logistics are impacted by changes in capacity, demand, law, and technology.

According to PSO (2020b), the management of PSO is training employees to maintain logistic operations. They are following standards of ISO 9001:2015 to enhance supply chain operations and fulfil the requirement of logistics effectively. The financial goals are considered to stay competitive in the market. As per the primary source, the majority of respondents acted positively that management of finance is essential for PSO to stay competitive in the Pakistan market. The majority of participants agree on the statement that leaders can enhance financial performance by using new logistics tactics as it can improve the performance and revenue of an organization. According to Wamba et al. (2018), logistic operations are being considered by experts in the industry, and for that, they are adopting new tactics and technologies. The big-data is used by firms to get real-time information as it improves decisions. Big-data also improves the performance of the overall organization as management has complete information related to the internal and external environment. As per the opinion of experts, when an organization has real-time information, it allows management to allocate business resources effectively and fulfill customer demands as per their expectations.

In light of the PWC Report (2016), logistics challenges are quite common at the global stage, and it is being faced by management due to a lack of digitalization. When firms have complete information about the market, they can capture new opportunities and offer better services to their customers. When managers have complete knowledge related to expectations of customers and market trends, they are able to forecast future demand, and it enhances overall planning. Through this, the supply chain's challenges can be reduced, and logistics operations can be performed with

sustainability. As per manager opinion, PSO faces challenges due to changes in the external environment and to overcome alternative working strategies are promoted. The management faces challenges as they are operating on a huge scale. However, real-time information and tracking of data are being promoted to gain complete knowledge of the market. It enhances strategic designing and allows management to perform operations with sustainability.

In light of the primary source, for development and growth, a business must keep information about global trends, technology, and changes in the market. The oil and gas industry is versatile, and competition in the industry is intense due to which one mistake can lead to failure. The sustainability in finance and logistic operations is very important because it helps management to achieve desire goals. When firm performance with sustainability, they can motivate employees and fulfil customer's satisfaction effectively. According to Parola, Satta and Panayides (2015) state that stability in logistic operation is important because it can negatively impact financial performance. The firms are designing a corporate strategy to obtain revenue-related goals and motivate employees to maintain working standards. The strategies are designed to attract more customers and to adopt modern business practices (Danso *et al.*, 2019).

5. Conclusion and Recommendations

5.1 Findings

The study is mainly focused on the logistic operation and its impact on financial performance: the case of PSO. It has been observed that logistic processes are essential for the growth of an organization as it helps management deliver goods and services to customers. The logistic operations have great significance because they deal with the internal and external environment and fulfill the needs of the production channel. It has been found that oil and gas industry managers are using different forms of logistics, such as railways, road transportation, and seas way. The multiple ways are adopted by PSO managers because it fulfills the needs of the company and allows management to meet logistic operation needs effectively. In PSO, managers are designing strategies and have contracts with the railway department to improve their logistics services as it has further on financial performance. PSO leaders are working for the growth of an organization, and for that, they are training employees and focusing on supply chain operations. They are following ISO: 9001 standards to deliver high-quality products to its customers. It has been found that PSO leaders are focusing on logistics operations because the demand for goods is increasing rapidly from the past few years, which is affecting all operations of the company.

Similarly, from the findings of the study, it has been observed that for growth and development, PSO leaders are adopting new tactics of working and promoting automation to gain knowledge about the market. The internal and external environments are affecting the firm's practices due to

which there is a need for contingency planning. PSO managers are designing strategies to satisfy their customers and have alternative strategies to achieve desire goals related to logistics. For further growth and improved overall performance of PSO, leaders are maintaining their relationship with suppliers as it is a complete network that helps in the firm's growth. Form the findings, it has been observed that there is a relationship between logistic and financial performance of PSO. However, for further development and improvement, managers of PSO are focusing on new business tactics as they want to maintain their leading position in Pakistan and become global players.

One on one, PSO is fulfilling nationwide needs effectively and dealing effectively with increasing demand. Furthermore, leaders of PSO are supporting employees, which is enhancing their performance. The training and innovation are part of PSO culture, and it is helping management in fulfilling goals related to logistics. Automation is playing key roles as it provides complete information to management related to changes that further improve strategies and logistic operations. It has been found that logistic operations are important because, without it, management cannot fulfill customer demands. For continuous growth and development, PSO focuses on logistic operations and working to improve financial performance because it helps leaders in grabbing new opportunities for the business. However, strategic working has been encouraged in PSO for sustainable growth and continuous development.

5.2 Conclusion

The above study focuses on the PSO logistic operation and financial performance of the company. It has been concluded in the study that there is a relationship between logistics and financial performance of PSO. The company is leading in Pakistan and focuses on logistic operations to fulfill the demand of the market. The mixed approach has been followed in the study to complete it systematically. It has been concluded that operations of the oil and gas industry are affected due to the globalized market, and management must design a contingency plan. The logistics department of PSO must have alternative strategies because it gets affected by the internal and external environment. It has been concluded that PSO logistics mainly gets affected when the demand for the good increases significantly. However, other factors that impact PSO logistics operations are changes in law, capacity, supply, policies, and technology. The organization is working on logistics operations as they are linked with financial performance. Moreover, it has been concluded financial goals are set by leaders to grab new opportunities for business effectively. When a company has good financial standing, it can survive from a critical situation and able to sustain business operations effectively.

5.3 Limitation

The limitation is the barrier that is being faced by researchers while conducting the study. In the current study, the researcher faced multiple barriers due to the limitation of time and resources. The researcher mainly targeted PSO employees because of time limitations. If the researcher collects information from other companies, it requires more resources and time, which was not possible. However, the study's sample size is limited because it needs to be submitted on time as it is conducted for academic purposes. The researcher cannot control the environment while conducting a survey and interview, which may impact the study's findings due to which it is considered as a limitation.

5.4 Area of Future Study

There are multiple aspects in which future studies can be conducted, and researchers can explore new logistics tactics. The current study is mainly focused on PSO; in the future, researchers can conduct a study on the same topic by increasing sample size. A comparative study can also be conducted on the oil and gas industry such as comparing practices of oil and gas industry: the study of firm A and firm B. However, researchers can conduct a study only on the oil and gas industry in generic as it can provide benefits to all companies. However, the study can be conducted on tactics to overcome challenges of logistic operation: the case of Pakistan oil and gas industry. The researchers can gain information from multiple companies' experts as they can provide detailed data on issues related to logistics and tactics to overcome those problems. The present study is mainly focused on Pakistan, one on one, it has been observed that the oil and gas industry somehow is linked at a global scale due to which challenges are raised. The researchers can conduct a study on global logistic challenges in the oil and gas industry, and the study will provide a diverse overview of the sector. However, the problems that are commonly raised in the oil and gas industry can be a highlight in the future studies as the present researcher focuses on financial performance and logistic operations.

5.5 Recommendations

The following recommendations should be considered by PSO managers and other oil and gas industry firms to enhance their business performance as they are derived in light of research findings:

- It is recommended to PSO that they must adopt big data technology as it provides complete information related to the behavior of the industry. The complete knowledge of the market helps management in designing strategies, and leaders can analyze future risks, which will further improve logistics operations.

- It is recommended to PSO that they must train employees at each stage and empower them when issues arise while transportation or any operation of logistics; employees must-have the skill to make decisions so they can handle the situation effectively.
- It is recommended that PSO must promote leadership culture to improve their practice. The leaders should support their employees as it improves their performance, and it further benefits management in fulfilling their goals. Also, firms must discuss strategies with employees as it helps in proper implementation.
- One on one, it is recommended that PSO managers must keep complete information about internal and external environments. Along with it, leaders should focus on changes in the market and understand competitor practices to stay competitive. The enhanced logistics strategies help in managing risk and allow employees to fulfill their responsibility without hassle.
- It is recommended that PSO must maintain a relationship with customers to understand their needs effectively. The customer's satisfaction enhances logistics operation and financial performance of PSO, which helps in achieving goals.
- It is recommended that leaders of PSO must adopt new tactics of working to stay competitive in the market. New technology improves overall operations, and help management in sustaining logistics operations which impact positively on financial performance.

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