

5.1 The Role of Operations Management: Exam Practice Question



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5.1 THE ROLE OF OPERATIONS MANAGEMENT: EXAM PRACTICE QUESTION

Read the case study information below and answer the questions that follow.

DRILL BABY DRILL!



Halliburton Oil Field Services is a specialist consulting firm that assists oil corporations discover new oil wells, provides technical advice and support on how to extract oil and provides specialist oil drilling equipment to firms. They have world leading technology and expertise in very deep sea drilling, extracting additional oil and gas from 'previously depleted' sites and oil and gas drilling in extreme environments such as in the Arctic Circle.

Their clients are diverse and include some very well-known oil companies are major clients (Shell Oil and British Petroleum) as well as a range of state owned government enterprises too, both 'good' (e.g., Norwegian and the British) and 'bad' (Sudanese, and Iraqi). 'Bad' because the money earned from oil revenues is misspent by these governments who also have terrible human rights records.

Halliburton operates in many countries and is probably the largest employer in the industry termed 'oil-field services', employing tens of thousands of workers across four continents. In a world increasing dependent on finding new sources of energy to sustain economic growth and development, Halliburton is at the forefront of keeping factories running, cars on the roads and the lights on at night. The world's energy consumption is projected to double by 2030 based largely on growth in developing economies, and Halliburton expects to benefit enormously in this time. Its shares have increased ten-fold in the last decade as investors have increasingly recognised just how profitable this company is and is likely to be in the near future.

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QUESTIONS: 25 MARKS, 45 MINUTES

1. Define the term **operations management**. **[2 marks]**

2. With increased world oil and gas production, explain the functional relationship at Halliburton between:
 - i. The Human Resources and Operations Management departments. **[4 marks]**
 - ii. The Finance and Operations Management departments. **[4 marks]**

3. Examine how Halliburton adds value in the production of the goods and services it provides to large oil companies and state-owned enterprises. **[5 marks]**

4. Evaluate Halliburton's operations management strategies and practices for ecological, social and economic sustainability. **[10 marks]**