

Outsourcing

India, with low costs and high-quality skills, has benefited from the recent growth in outsourcing. But many in developed economies blame the trend for destroying jobs at home.

1 Which of the following job sectors are often connected with outsourcing?

telesales	financial services	IT
accountancy	customer services	personnel

2 Scan paragraph 1 of the article and check your answers in exercise 1.

Offshore outsourcing: win-win?

Western companies have already recruited over 180,000 workers in India and thousands more jobs are moving there from the UK. With the industry expanding at over 20% a year, it is expected that two million Indians will be working in outsourcing in five years' time. The list of business processes that can now be moved is growing fast, and includes all kinds of customer services such as making reservations, telesales, insurance claims, and credit card and loan applications. Along with traditional jobs in the IT area, offshore work now includes more complex areas such as accountancy services including payroll processing and legal research.

The reason according to some is simple – India offers a better product and it comes at a fraction of the price. Companies claim significant cost savings on wages, as well as improving their level of customer service. “Outsourcing makes businesses more competitive, increasing their exports and their profits,” one supporter

explained. Staff employed in call centres tend to be professionally qualified people, educated to a higher level than their UK counterparts. The employees are said to be more motivated and accurate in their work.

On the other hand, critics of outsourcing have concerns about job losses. Another worry about offshore outsourcing is that overseas staff do not have as good an understanding of the local consumer as domestic employees. Some companies have moved jobs back to the US after allegedly receiving customer complaints about accent.

New recruits in call centres start work after six weeks of training. They are paid the equivalent of about \$150 (€122) a month. This is less than one tenth of what a call centre worker in the UK earns, but in India this is good pay – more than a newly qualified doctor earns. So, is offshore outsourcing a win-win situation for both companies and staff?

3 Read the whole article. Summarise the two points of view on outsourcing.

4 Match the following words to make collocations taken from the article.

(a) insurance	(1) savings
(b) customer	(2) processing
(c) payroll	(3) claims
(d) cost	(4) centre
(e) call	(5) services

5 Discuss the following questions in small groups and report your ideas to the class.

- Do you think that outsourcing is good or bad? Justify your choice.
- Does/Could outsourcing affect your own business sector?
- Would your own company consider offshore outsourcing?