

What Job Seekers Need to Know about Globalization and Outsourcing

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Whenever I hear that good people have been laid off because their positions were moved to an overseas location, my immediate and natural reaction is to be angry that a foreign country is taking away jobs from American workers. I decided to try to learn more about globalization and outsourcing, but not from just statistics and reports; I started reviewing all sources I could find about job loss in America related to outsourcing. It wasn't until I met four young women from India and watched a Discovery Channel video that all the pieces came together for me and allowed me to see a broader, more accurate picture. It was also at this point that I realized that job seekers need to understand that globalization and outsourcing affect their job search even more than we once thought.

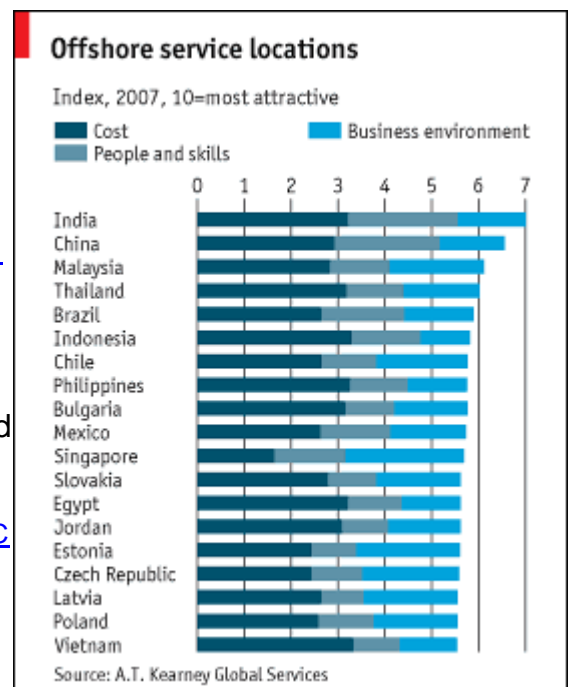
A few quick facts:

- There is still confusion in terminology from those of us not directly affected (yet) by the process. "Offshoring" involves moving jobs to lower-cost markets while "outsourcing" involves a company's decision to move a particular operation or function out-of-house.
- In early 2007, it was reported that outsourcing was continuing to increase. "Outsourcing is still increasing and organizations involved in this practice either want to maintain their sourcing level or want to increase it, says KPMG's recent study *Strategic Evolution*, which is based on responses from more than 650 organizations (both customers and services providers) from 32 countries." <http://www.ddj.com/architect/197005853>
- "What really set India and China apart from the rest of the pack was primarily their people and skills availability scores."

"...the smart money seems to be on the countries with abundant talent supply."

<http://www.inventureglobal.com/blog/2008/02/outsourcing/offshore-outsourcing-statistics-for-services-in-2007/>

- Readers desiring an in-depth study of globalization and offshoring should find Dwight Jaffee's "Globalization, Offshoring, and Economic Convergence: A Synthesis" of interest.
- <http://www.mgmt.purdue.edu/centers/ciber/events/GOC/download/jaffee1.pdf>



- “India is outsourcing outsourcing. ... To fight on the shifting terrain, and to beat back emerging rivals, Indian companies are hiring workers and opening offices in developing countries themselves, before their clients do. ... Such is the new outsourcing: A company in the United States pays an Indian vendor 7,000 miles away to supply it with Mexican engineers working 150 miles south of the United States border.”

http://www.nytimes.com/2007/09/25/business/worldbusiness/25outsource.html?_r=1&oref=slogin

Unemployment in the US hit 5.7% recently and in North Carolina (where I live), nearly 80,000 jobs were lost to China since 2001. What lesson is there in all of this for military spouse job seekers? The global economy has resulted in a global labor market with global competition for jobs. Job seekers worldwide may well be competing with you for your next job (or even for the one you currently hold).

Looking at my own work experiences, I have worked with and for excellent workers and “not so good” workers who do not fit into any one mold. Gender, race, culture, nationality, etc. do not fit solely in either the excellent or bad category. One example in the excellent category was a young Caucasian English woman married to a German man and working for the US Army in Germany as a local national (German) employee. She was hard to classify other than as a great worker. Other great workers from my personal experiences include Americans, Germans, and Italians of mainly Hispanic, African-American, and Caucasian race and ethnicity, of both male and female gender. As a supervisor, when I interviewed applicants, I was not to be (and was not) concerned and about anything except qualification to do the job. Employers have that concern as well as what it will cost. If someone from India, Mexico, China, or anywhere else can do the job as well as an American, while reducing overall costs significantly, the best qualified applicant at the lowest cost will be chosen by employers.

Many customers have encountered problematic dealings with some outsourced and offshored call center staff who may speak English, but do not understand American culture and have strong dialects that are difficult to understand. These employees have given some outsourced/offshored companies’ customer service departments bad reputations. Couple these service problems with manufacturing problems occurring from many Chinese products that not only failed to meet American safety standards, but were tied to animal and human deaths, and we can understand the concern and bitterness that many Americans feel when job loss happens due movement of positions overseas.

So, what insight did I recently gain that I want to share? There are great and bad workers all over the globe. Several months ago, I had problems with an anti-virus program and was connected to an offshore customer service representative. That particular employee, an Indian man in India, provided outstanding customer service. As American companies first jumped into offshoring, they did not focus enough on the quality control of products or services. American companies have learned from their experiences and Congress just passed a bill to ensure better safety standards of products. Foreign workers and companies have also learned. Many companies are now teaching their workers more about the culture and languages of the customers they will be serving.

“As the U.S. economy slows and the dollar weakens, India's outsourcing industry, which has prospered running call centers and doing back-office jobs for U.S. companies, is increasingly looking to Europe. ... That is why the outsourcing companies, which have long trained their workers to speak with American accents for American clients, are giving employees crash courses in the nuances of European languages and business customs. Many of the instructors they have hired have doctoral degrees in cross-cultural studies. They teach their students about the intricacies of cultures with "high power distance," or rigid hierarchies, as well as "low-context cultures," in which expectations are spelled out and little is left to implication.” <http://online.wsj.com/article/SB121729242907791733.html>

Earlier I mentioned two events that pieced the puzzle of globalization together for me.

One was when a family member who works for a large American corporation informed me that her office was hosting four women from India who were coming to the American office to experience American culture while attending training. These particular women are not outsourced, they work directly for the corporation, but the office in India is offshored (a great deal of their work involves American customers). I was curious about these young women and was delighted when I was invited to spend a day with them as they did some sightseeing. We all had a wonderful time! I was particularly impressed by their excitement to learn more about our American culture while showing pride in their own by inviting me to visit them in India. These four women are carving out interesting careers for themselves by doing what it takes in today's global economy.



Sightseeing in Asheville, NC at the Biltmore Estate.

After meeting the women from India, I purchased a DVD made in 2007 about outsourcing and was pleased to find that it focused on India. India is working on ways to increase work opportunities for its burgeoning population and outsourcing/offshoring plays a major role. Even young children are provided computer training and education is a high priority for all. The move to outsourcing and offshoring has dramatically increased the standard of living for many in India. As competition for global outsourcing increases, India is adapting its processes to stay competitive. By focusing on education, training, and creative ways to meet both long-term and short-term outsourcing needs, their national economy will grow as well as their individual well-being.

The picture is now quite clear. Globalization does create global competition for jobs. Job seekers who want to stay competitive in our global economy need:

- to learn as much as they can about the labor market and labor market trends locally, nationally, **and internationally**
- to increase their education, training, and experience as much as possible
- to become fully accountable for their work product; give and demand quality
- to take advantage of any and all opportunities to learn more about other cultures
- to embrace technology
- to take charge of their own career development

Each one of these items listed above is not new. The only item with newly added emphasis is to learn more about other cultures. Military spouses often consider relocations as gaps on their resumes since some employers still automatically see gaps in a negative way. What ongoing relocations can give to a military spouse job seeker are ongoing opportunities to broaden one's knowledge of people and cultures within the US and around the world. Fill those gaps with cultural experiences, added training, or more education and increase your global competitiveness in today's job market.

"The management challenges will grow more urgent as rising global salaries dissipate the easy cost gains from offshore outsourcing. The winning companies of the future will be those most adept at leveraging global talent to transform themselves and their industries, creating better jobs for everyone."

http://www.businessweek.com/magazine/content/06_05/b3969401.htm

The Military Spouse Corporate Career Network (MSCCN – www.msccn.org) is a nonprofit corporate direct connect program dedicated to providing career opportunities and job portability for military spouses through a nationwide network of employers.