



## Industry Group Unanimously Agrees that Outsourced Offshoring Empowers Women

Melbourne, 4 December 2009 A group of more than 100 senior executives from the contact centre and IT industries attending a forum staged in Melbourne have unanimously agreed that the movement of jobs from Australian-based organisations to developing nations, such as India and Philippines, provides employment opportunities and financial independence for women that otherwise would not be possible, and that this had substantial positive multiple effects in local communities.

The forum organised as part of the two day programme, Asia Pacific Breakthrough, was sponsored by the Victorian Government, and organised by philanthropy consultancy, The Greenstone Group, as part of a unique event to debate the topic Outsourced Offshoring Does it Empower Women? The Asia Pacific Breakthrough agenda was focused on Australia's response to the Millennium Development Goals (MDG) 3 Empowering Women and Girls in Developing Countries and MDG 5 Maternal Health.

Those in the audience included senior representatives from Telstra, Optus, Transurban, Adecco, Drake and HSBC.

Within the Australian business community the topic of offshoring is highly controversial, emotional and political. This sentiment is reflected in the drafting of the Keeping Jobs Onshore Bill being proposed by Senator Steven Fielding. Senator Fielding was invited to the event, however declined.

Rather than focusing on the economic arguments related to offshoring, the Melbourne conference focused on the rarely articulated social impacts of offshoring.

Dr Catriona Wallace, Managing Director, callcentres.net presented facts on the size of the outsourcing and offshoring sectors, giving examples from the contact centre industry. The contact centre industry currently has 1840 organisations with 3860 contact centres and 193,000 seats. About 12% of the industry is outsourced. Over 50% of contact centre work that is outsourced remains onshore and the balance is sent primarily to India (26%), Philippines (10%), New Zealand (7%) and Malaysia (2%). In a study of over 120 organisations conducted by callcentres.net, during the GFC (Global Financial Crisis), three in 10 Australian organisations indicated that outsourcing and potentially off-shoring were amongst the top ten business priorities for 2009-2010.

Dr Wallace discussed the drivers behind what she termed The Service Shift, a term coined by authors Kennedy and Sharma, whereby service work globally is moving to where it is most effectively delivered, in a similar move to that of the manufacturing sector in the 1960s-1970s. These drivers include technological innovations, the growth in emerging markets such as India and China, global liberalisation the opening of new markets, corporate imperatives to reduce costs and the convergence of business culture such as the use of English language as the global language of business.

Dr Wallace quoted McKinsey's study from the US which found that for every US\$1 that was off-shored, the global economy generated US\$1.46 and the US earned US\$1.13. The study also found that the US economy increased its GDP by \$124 billion as a result of offshoring.

Professors Bob Russell and Mohan Thite from Griffith University discussed the findings of a study of Human Resource Management which they conducted among business process outsourcing (BPO) companies in India. Their study concluded that women working in BPOs in India were empowered through employment and financial independence but that there were some negative consequences including social stigmas attached to women conducting night work and that BPOs did not give the same support to women, including flexible working hours, or promotions into management, that male BPO workers received.

Ms Jamea Garcia from the Business Process Association of Philippines (BPAP), discussed how work from Australia being conducted in The Philippines provided jobs to underprivileged people, particularly women, who otherwise would not have employment opportunities. The BPO industry in The Philippines currently employs 400,000 people. Ms Garcia also discussed the high percentage of women who worked in management in BPOs and she detailed the extensive education and training programmes provided by the Philippine government and BPAP that extended into remote regions of the Philippines, to provide training to people so that they may apply for roles in BPOs.

Ms Saswati Mitra, who is a General Manager with BPO company, Intelenet, and responsible for managing over 12,000 BPO workers, shared stories from Indian women who worked in BPOs and whose lives and families had been significantly changed for the better. Ms Mitra noted that on average, 90% of the incomes of women working in BPOs went back into family and communities, a significantly higher percentage than from male BPO workers, at about 40%.

In a rarely seen display of solidarity, competitive outsourcing companies, Salmat, Aegis Australia (UCMS), Stellar and Excelior joined together to share stories of their organisations contributions to developing countries.

John Hollingsworth, CEO, Stellar, Andrew Hume, CEO, Salmat Salesforce, Michael Green, Senior Executive, Aegis Australia (UCMS) and Geoff Dutt, Senior Executive, Excelior, each discussed community investments that were being made by their companies including providing training programmes for potential BPO candidates through to the sponsoring of orphanages and half-way houses in areas of great poverty.

Dr Wallace concluded the session by asking the members of the audience to reflect on their views on whether they thought outsourced offshoring empowered women, and the response was unanimously affirmative, that women in developing nations were empowered through employment opportunities provided by Australian-based organisations, and that this had a powerful positive multiplier effect reaching beyond the women into communities.

Dr Wallace stated, This event, the first of its type in this region, has highlighted the underrepresented facts around the social impacts of offshoring. It is high time that the business community and politicians were aware of the holistic value that businesses such as outsourcers provide to developing nations, and how this directly impacts the Millennium Development Goals focused on the betterment of women.

Mark Ingram, Business for Millennium Development, spoke about his organisations plans to send a delegation of Australian business executives to India so that they could witness first-hand the effects of offshoring on women and communities.

About callcentres.net

callcentres.net, part of the ACA Research Group, is a contact centre industry consulting, research and analyst organisation, as well as an online publishing and news company dedicated to the Australian and Asia Pacific contact centre industries. Established in 1999 and based in Sydney with a regional office in Singapore, callcentres.net is recognised as the leading provider of research and information to the contact centre industry.

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