

Government funding to promote outsourcing essay

[Life](#), [Relationships](#)



It is important that the overspent intervenes when necessary, especially when it comes to protecting the American people. The types of regulation in effect have mostly to deal with tax cuts on a federal level. Many businesses who outsource often receive government funding to promote outsourcing.

While on a state level many businesses can only outsource a proportion of their business if they want to receive state funding. State and Federal legislators are often at battle when it comes to outsourcing. The conflict between what is good for the country as a whole is often conflicted with what is good for the state. This paper will outline the pros and cons of outsourcing and how it affects the United States economy in regards to Jobs and cost. Briefly, I will discuss the history and time line of outsourcing, while explaining the progress of outsourcing.

This progress will include comparing ancient outsourcing to the outsourcing in the 21st century. I will also go into great detail about the differences between state and federal legislation in regards to outsourcing. Lastly, I will conclude with more options to regulation in regards to outsourcing. These options will include regulations that deal with labor laws how America can increase Jobs. Introduction According to Webster Dictionary, outsourcing is the contracting out of a business process, which an organization may have previously performed internally or has a new need for, to an independent organization from which the process is purchased back as a service.

The method of outsourcing became popular in the 21st century. Before the information age, businesses carried out daily functions at one location. With outsourcing, companies can hire other companies for services or products

used to run the business. Companies can also create a separate division to their company in another company. The debate whether outsourcing positively or negatively affects the economy is ongoing. Some believe that outsourcing sends jobs overseas, while many Americans are left jobless.

Others believe, while outsourcing does send jobs overseas, it gives Americans the opportunity to hold jobs at a higher level. With the growth of outsourcing, state governments have intervened and created laws to regulate outsourcing. Federal and State government will need to continue to make efforts in regulating outsourcing to sustain or grow the economy.

History of Outsourcing Outsourcing is not a new method for doing business. In ancient history, people realized that there is a need for everyone to lend a helping hand.

It was understood that everyone had something unique to offer and it was needed for everyone to prosper. Many thriving businesses used outsourcing as a way to outsource those functions that they had no competency. Functions such as administrative and customer service support were contracted to other companies, but in the same country. This method worked well for companies because it allowed the business to focus solely on the main goal without having to worry so much about administrative tasks. Outsourcing in the 21st Century Outsourcing in the 21st Century brings upon a new term, “ Offspring”. Offshore is the relocation by a company of a business process from one country to another, such as an operational process or supporting process.

Offspring is used widely throughout the United States. Large companies have taken customer service support teams and manufacturing teams from the US to overseas. Outsourcing and Offspring overseas cuts cost tremendously for businesses. The Federal Government has begun to use this tool in its own operations.

The number of people working in contracting positions within the Federal Government has increased tremendously. Pros to Outsourcing The number one reason many companies choose to outsource is to cut cost. Cost can be cut tremendously when outsourcing on benefits, workers' union and overhead.

Unlike, before the 21st century when outsourcing was only for services that did not directly relate to the businesses core competencies, now outsourcing can be done to enhance core competencies. Outsourcing gives the business the opportunity to learn new and more innovative ways of doing business. For example, a large company may outsource its call center. Doing this allows the company to focus more on the products.

Outsourcing call centers allows the business to operate even after normal business hours. Outsourcing call centers is becoming the norm, especially in the IT field. Customers can call a company to help with a computer problem and it is not unusual to hear someone from overseas. The ability to have products manufactured overseas not only cuts cost but it gives the business an advantage to compete with other businesses across the globe.

Companies can create Jobs across the globe which delivers the best products and services. One product can be produced using many products

manufactured at many locations around the world. For example, Dell makes computers. However, the many parts used to make a laptop or desktop are manufactured at many different warehouses around the globe.

Dell also outsource its call center. Dell cuts cost tremendously by choosing to outsource and in turn they can cut prices for consumers. Cons to

Outsourcing There is much controversy when it comes to outsourcing negatively or positively affecting the economy.

The most important factor in which legislators believe negatively impacts the economy when it comes to outsourcing is Job loss. When a company decides to take its business overseas this leaves a lot of Americans without jobs.

Many argue that even though jobs are lost, it creates the opportunity for higher skilled positions. Many of these skills require further knowledge and more skill. For instance if an employee has previously worked in a factory and now the business has chosen to outsource this job, the employee will may be promoted to oversee and examine the finished product. So not only will the employee need to know how the products work and if something is out of place, but now they need to have the extensive knowledge of fixing the problem if one arises. Outsourcing customer service and call centers are growing tremendously.

Even though this is cost effective for the business, many consumers find themselves frustrated when speaking with someone with an accent. When needing help, consumers want to talk to someone who is relatable. The advance of technology can be a gift and curse. Often times when a consumer

calls an IT company, it is often followed by numerous prompts and recordings until you get a person.

Often times, this person is overseas and the connection is bad and the employee is hard to understand. This creates frustration for the consumer. The consumer may either choose to not do business with the company or try to figure out the problem on their own. Regulating Outsourcing Legislators in the United States are continuing to make efforts that will satisfy both businesses and the American people. Laws are being amended to control outsourcing and new laws are being created to regulate this new form of outsourcing. Government is realizing that outsourcing does affect the economy and they need to intervene in order for things not to get out of control. Americans want to feel confident in job opportunities as well as low prices for goods and services. Many loyal Americans find it rewarding when goods and services are created and sold in America.

The Outsourcing Accountability Act of 2012 forces companies who outsource to provide data relating to the number of employees who are in the United States versus outsourced employees. Other regulations require that if a company does decide to outsource, there needs to be a certain number of employees in the United States. This will continue to help regulate jobs. Other regulations require employees who work in call centers overseas to disclose their location information.

This legislation was created to help fight Identity Theft. Identity Theft became more of an issue once companies began to outsource. Personal data and information is now being transported overseas through technology.

Companies are now making an effort to protect people against Identity Theft and privacy by creating disclosures and questionnaires which protect the consumer. Software are consistently being updated and created to reassure that a customer's privacy is of great importance. On the state level if government funds are received, outsourcing is prohibited or limited. State legislators believe that government funds should be used and distributed in America. They view outsourcing on a smaller scale than federal legislators.

Federal legislators are into building relationships with other countries. It is optimistic for federal legislators to believe that by outsourcing Americas can acquire some of the knowledge and skills of its counterparts who are overseas. While this knowledge is important, it is also equally important that government funds are used in America. Conclusion From doing research, I realized that government does not enforce the laws of the base company's location with those that are overseas. For instance, in the United States there are child labor laws.

Any child who is under the age of 16 must not work. However, in other countries children are required to work. Often times this is the reason why labor is so inexpensive in other countries. Federal agencies need to get handle on American businesses that outsource but directly violate American laws.

Government legislation is needed in order for outsourcing to not fully take over the job market. It is important that all parties involved including state and federal government as well as parties overseas to work together so that everyone can get what is best out of outsourcing. Outsourcing is very

important for the economy as well as the American people. It is important for Americans to be given the best products and services at affordable prices.

I believe that outsourcing creates a competitive edge for consumers as well as Job seekers.