

Offshore operations essay sample



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Since last decade, a rapid change is observed in private sector of a number of countries, such as the United States, the United Kingdom, and many Western countries, in terms of the development of trend of offshore operations. Nowadays, business organizations and firms are outsourcing especially their IT jobs and tasks, in order to save the resources, as well as, acquire better quality at lower costs. Researches and studies have indicated that service sector of the United States has been positively, as well as, negatively affected by the impact of offshore operations. In terms of definition, when a task or job is subcontracted out of the organization in another country, it is referred as an offshore operation. (Bragg, 2006)

Nowadays, offshore outsourcing operations have advanced rapidly, as more and more companies are outsourcing their designing and manufacturing processes of products out of the country, especially in Asian countries. In this regard, such offshore operations are playing a vital and pivotal role in the provision of services at lower rates; however, everything has drawbacks, and so the offshore operations. Specifically, this paper will identify some of the effects of offshore operations on firms, as well as, their human resources.

A number of studies have been carried out in order to understand the effects of offshore operations, and it has been indicated by the results that more than thirty-five percent of American companies are now outsourcing their projects in Asian countries, especially India. (England, 2001) Such trend can be observed exclusively in IT tasks and jobs, which are carried out by Asian companies. In the result, thousands of dollars are being saved by the companies due to absence of a number of expenses, such as infrastructure, equipments, human resources, and other business related expenditures.

However, it is observed that quality has been compromised adversely by this trend of offshore operations. Studies have noted that offshore operations have resulted in reduction in quality of products and services, which has diminished the quality standards of American companies in an adverse manner. In other words, a number of companies have stopped carrying out offshore operations due to lower standard of quality, as it was affecting their branding image and reputation in the market. (Hira, 2005)

Human resources is another major sector that is affected by the trend of offshore operations, as companies now prefer completion of their projects in Asian countries, in order to save infrastructure costs. In the result, offshore operations have left an adverse impact on human resources, especially in the IT sector. It is observed that many firms are considering huge profits in such economically strained era, and such consideration has been very confronting for human resources in the United States. In the year 2005, more than 5000 workers lost their jobs due to offshore operations of their companies. (Brudenall, 2005) In this regard, government is now taking radical steps to ensure reduction in unemployment that is caused by a rapid increment in offshore operations. Although offshore operations have a number of advantages, such as cost-effective products and services, effortless completion of tasks and jobs; however, it has also impact adversely. Conclusively, the paper has discussed some of the significant aspects of offshore operations that have affected a number of companies and their employees in an operational, economical, and social manner. It is hoped that the paper will be beneficial for students, teachers, and professionals in better understanding of the topic.

References

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