

Environmental analysis of bpo industry in india

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There is no commonly accepted definition of 'off shoring' in the public debate nor in the economic literature. However, the term 'off shoring' is widely used as a particular subcategory of 'outsourcing'. The latter has been defined as 'the act of transferring some of a company's recurring interval activities and decision rights to outside providers, as set in a contract'. The typical consequence of such a decision is a decline of employment in the plant/firm that is doing the 'outsourcing' and a rise in employment in the plant/firm from which the supplies are sourced thereafter. The vagueness of the term is often related to the fact that it is not made clear if the change in sourcing of supplies refers to the plant level, the firm level or to the national level. The term 'recurring interval activities' might include a given level of in-house supplies in a stagnant business environment, but the meaning is less clear in an expanding environment in which additional supplies from the outside do not necessarily result in an absolute reduction of employment but tend to limit its expansion. It is also useful to distinguish between a replacement of the supplies which takes place between plants of the same firm or from a non-affiliated firm (control-ownership), and whether the new sourcing is from plants in the home country or abroad (location). In certain cases, the sourcing decision goes hand-in-hand with new investment abroad, which leads some observers to focus the outsourcing debate on outright plant closures, with output being replaced by new greenfield investment abroad.