

GLOBAL OUTSOURCING

Words

Write the letter of each definition with the word it defines. If you don't know the definition, use the context of the reading passage to help you. Look for the words in bold as you read the passage.

PARAGRAPHS 1-3

Words	Definitions
1 firm	A adj., rich
2 wealthy	B adv., on a regular basis
3 routinely	C adj., important; affecting a decision
4 decisive	D n., a company; business organization ¹
5 preponderance	E n., the largest amount

PARAGRAPHS 3-5

Words	Definitions
6 remainder	F n., local office of a larger company
7 confront	G v., to face a difficulty
8 looming	H adj., nearing, usually said of a threat or difficulty
9 branch	I n., the rest; what is left

PARAGRAPH 6

Words	Definitions
10 controversy	J v., to call attention to
11 opponent	K n., supporter
12 point	L n., someone who disagrees and speaks out
13 proponent	M n., a lot of disagreement affecting many people
14 boon	N n., a benefit; advantage

¹BrE: organisation

PARAGRAPHS 6–7

Words	Definitions
15 turnover	O n., central or most important place
16 shift	P v., to reach someone or something that is ahead
17 coincide	Q adj., attractive
18 epicenter ¹	R v., to happen at the same time
19 catch up	S n., period of work time
20 enticing	T n., the rate at which employees leave and are replaced

Reading

Global Outsourcing

- (1) Outsourcing, subcontracting work to another company, has always been a part of doing business. Firms hire other **firms** to do work they cannot do themselves or can have done more cheaply elsewhere. With today's global economy, the practice is now so prevalent that even companies in the business of outsourcing are outsourcing work to others.
- (2) **Wealthy** nations **routinely** send all types of work to countries where labor costs are cheaper, but currently the most frequently outsourced jobs are in information technology (IT), software, and customer service. Japan, Western European countries, and the United States outsource the most work, and India and China take in the most.
- (3) Language skills are a **decisive** factor in where work is sent, with India and the Philippines serving English-speaking clients, Argentina working with Spain, Mexico serving Spanish speakers in the United States, and China handling Asian languages such as Mandarin, Cantonese, and Korean. As a **preponderance** of corporations conduct business in English, the bulk of outsourcing jobs in recent decades have gone to India, where its status as a former British colony resulted in millions of people speaking English as their first language. About half of India's outsourcing work comes from the United States, with about a quarter from European countries and the **remainder** from countries such as Japan and Australia.

¹BrE: epicentre

(4) Some of the largest outsourcing firms in the world have headquarters in India. However, **confronted** with increasing demand, a **looming** shortage of skilled workers, and rising wages at home as the Indian economy grows, some of those outsourcing companies are now turning to other countries to help meet their own staffing needs. They outsource largely to China but also to dozens of other countries, including the Philippines, Mexico, Brazil, Saudi Arabia, and, in some cases, the country where the work originated. For example, a U.S.-based software company might outsource IT support to a company based in India, which then subcontracts part of the work to a company in the United States.

(5) Much of the IT support market is now moving to China, where a vast supply of highly trained people are willing to work for lower wages than people in India. With newer Chinese companies not yet well established in the outsourcing business, Indian firms are opening **branches** there, where their knowledge of English and well-developed managerial skills give them an advantage, at least for now, in dealing with international clients.

(6) Outsourcing has long been a source of **controversy**, with **opponents pointing** to the loss of jobs and damage to the economy in the home country, and **proponents** viewing the savings in labor costs as a **boon** to business. The receiving countries generally consider the well-paying jobs a benefit to their economy, but employees are not always happy with the work. Staff **turnover** can be high when employees have to work long night **shifts** to **coincide** with the business day in the outsourcing country.

(7) India remains the outsourcing **epicenter** for now, with China slowly **catching up**, but the situation will continue to change. Once wages rise high enough in India and China, foreign workers somewhere else will be as **enticing** to outsourcing countries as India and China now are to Europe, Japan, and the United States.

*Answer the questions about **Global Outsourcing**.*

Questions 1-7

Complete the summary using words from the list below.

boon	confront	firm	turnover
branch	enticing	looming	wealthy
catch up	epicenter	remainder	

Outsourcing is very common in today's global economy. A preponderance of companies in 1..... nations send work to countries where wages

are lower. These countries are 2..... to large companies because labor costs are cheap. Because English is the language used by a large number of international corporations, a large percentage of outsourcing work has gone to India, and the 3..... has been sent to other countries. Now wages are rising in India, and more outsourcing work is being sent to other countries. Proponents of outsourcing point out that, as well as being beneficial to the outsourcing companies, it is also a major 4..... to the economies of receiving countries. Outsourcing companies may 5..... some difficulties, however. For example, there is sometimes a high 6..... of employees, who aren't always happy with nighttime work schedules. Labor costs are rising in India and China. When costs in these countries start to 7..... with costs in wealthier countries, companies will start sending their work to other places.

Word Families

A

Complete each sentence with the correct word from the word family chart. Make nouns plural where necessary. Use the correct form of verbs.

noun	adjective	adverb
controversy	controversial	controversially

- Outsourcing labor is a issue.
- Many major firms are sending more and more work to countries where labor is cheap.
- There has been a good deal of around the issue of outsourcing labor.

noun	verb	adjective	adverb
decision	decide	decisive	decisively

- The company responded by sending the work overseas.

5 Some firms not to outsource labor to other countries and hire local workers instead.

6 Many large firms have made the to outsource labor to other countries.

7 The cost of labor is a factor for outsourcing work.

noun	verb	adjective
enticement	entice	enticing

8 Low wages are often an for companies looking to cut costs.

9 Low labor costs outsourcing companies to open branches in certain parts of the world.

10 Outsourcing companies find low labor costs

noun	noun	verb	adjective
opposition	opponent	oppose	opposing

11 People hold views on the issue of outsourcing.

12 Many people who have lost their jobs outsourcing labor to other countries.

13 of the practice of outsourcing labor say that it is bad for the economy of the home country.

14 There has been a certain amount of to the practice of outsourcing labor.

noun	adjective	adverb
preponderance	preponderant	preponderantly

15 A of outsourcing work comes from the United States, Europe, and Japan.

16 large numbers of workers in this area are hired by foreign companies.

17 Jobs from international companies play a role in the economies of a number of countries.

noun	adjective	adverb
routine	routine	routinely

18 The work is and not very interesting.

19 The job is not difficult as all employees follow the same

20 Employees work night shifts.

Word Families

B

Choose the correct word family member from the list below to complete each blank.

1 decision	decide	decisive
2 opponent	opposition	oppose
3 controversy	controversial	controversially
4 preponderance	preponderant	preponderantly
5 routines	routine	routinely
6 enticement	entice	enticing

Many customer service companies outsource their work to other countries. The **1**..... to use this practice is generally based on labor costs, because wages are lower in certain parts of the world. There are many people who **2**..... this practice because it leads to loss of employment for workers in the company's home country. This is one reason why the outsourcing of labor has become **3**..... For the receiving countries, on the other hand, global outsourcing offers economic opportunities. Inconvenient night shifts are **4**..... in customer service jobs and the work can be boring and **5**....., but the **6**..... is regular employment at a relatively decent wage.

Paraphrases

Read the sentence from the reading passage. Then, choose the sentence that has the same meaning.

- 1 *Outsourcing has long been a source of controversy, with opponents pointing to the loss of jobs and damage to the economy in the home country, and proponents viewing the savings in labor costs as a boon to business.* (paragraph 6)
A Outsourcing has been the source of many problems for businesses, including difficulties with hiring and financial loss.
B Some people are against outsourcing because of the harm it causes to workers and the local economy, while others support it because of its advantages for business.
C Many outsourcing companies have been losing money for a long time and are now cutting back on hiring new staff.

- 2 *Staff turnover can be high when people have to work long night shifts to coincide with the business day in the outsourcing country.* (paragraph 6)
A Employees often quit their jobs because they have to work all night.
B Employees need frequent breaks because they work for long periods of time.
C Employees have problems because the business day in outsourcing countries is generally long.

Dictionary Skill

DIFFERENT MEANINGS

Many words have more than one meaning.

Read the definitions below. Then read the sentences and write the letter of the correct definition for each sentence.

QUESTIONS 1-2

firm [FURM]

A *noun.* a company, business organization
B *adjective.* hard; steady; unchanging

..... 1 The prices on our products are *firm*, and we are not willing to change them.

..... 2 The directors of the *firm* are thinking about outsourcing some of the work to another company.

QUESTIONS 3–4

shift [SHIFT]

A noun. period of work time
B verb. move; change

3 They decided to *shift* some of the work to another branch of the company.

..... **4** The *shifts* at this company are generally eight hours long.

Listening

Track
21

Listen to the talk. Complete the timeline below.

Write **NO MORE THAN TWO WORDS AND/OR A NUMBER** for each answer.

1	The firm built the first factory.
1910	Owners decided to have a 2
3	First branch factory built
1940	Original factory replaced
1998	The most 4 year for the company: no outsourcing of labor
Present:	Apex is a major employer in the region, with low 5

Unit 7

**Writing
(Task 2)**

There has been some controversy about the practice of companies in wealthy countries outsourcing labor to countries where wages are lower. What do you think are the advantages and disadvantages of this practice?

Support your opinion with reasons and examples from your own knowledge or experience.

Write at least 250 words.

Speaking

Talk about the following topics.

Describe a decisive moment in your life.

What are some difficulties you confront in your daily life as a professional (or student)?