



The Ethics of Offshore Outsourcing: Do Businesses Have a Duty to Employ Domestic Workers at Any Cost?

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Introduction

Few business decisions provoke stronger opinions than offshore outsourcing.

Supporters argue that it creates efficiency, improves competitiveness and provides access to global talent. Critics see it as a transfer of jobs, opportunity and economic value away from local communities.

At the heart of the debate lies a difficult ethical question:

Do businesses have a responsibility to employ domestic workers at any cost?

It is a question that is becoming increasingly relevant as organisations face rising employment costs, increased regulation, growing customer expectations and rapid technological change.

The answer is not straightforward.

Whilst businesses undoubtedly have responsibilities to their employees and the communities in which they operate, those responsibilities must be balanced against obligations to customers, shareholders, suppliers and the long-term sustainability of the business itself.

The Emotional Argument

The emotional case for domestic employment is compelling.

Businesses benefit from local infrastructure, education systems, public services and communities. Many people therefore believe that organisations have a moral obligation to support local employment wherever possible.

There is also a broader societal argument.

When businesses create domestic jobs, they contribute through:

- Income tax
- National Insurance contributions
- Local spending
- Skills development
- Economic growth
- Community stability

A thriving labour market benefits everyone.

For many people, moving work offshore feels like a withdrawal from that social contract.

These concerns should not be dismissed.

Businesses do not operate in isolation. They are part of wider economic and social ecosystems and should consider the impact of their decisions on those ecosystems.

The Commercial Reality

However, there is an equally important question.

What happens when maintaining domestic employment threatens the viability of the business itself?

If rising costs make a company uncompetitive, customers leave.

If customers leave, revenue falls.

If revenue falls, investment slows.

If investment slows, jobs disappear.

The uncomfortable truth is that businesses cannot create employment if they are no longer commercially sustainable.

A business that fails protects no jobs.

This is where the ethical debate often becomes oversimplified.

The choice is rarely between employing domestic workers or employing offshore workers.

More often, the choice is between:

- Maintaining a sustainable operation.
- Losing market share.
- Reducing service levels.
- Increasing prices.
- Or, ultimately, reducing employment altogether.

Ethics cannot be separated from economics.

Is Domestic Employment an Absolute Duty?

In my view, businesses have a responsibility to consider domestic employment, but not an absolute duty to preserve it regardless of consequence.

There are very few circumstances where "at any cost" is a sustainable principle.

Consider other business decisions.

We do not expect companies to:

- Use the most expensive technology available.
- Buy exclusively from local suppliers.
- Operate from the highest-cost premises.
- Ignore efficiency improvements.

We accept that organisations must balance commercial realities against social responsibilities.

Employment should be viewed in the same way.

A company has a duty to act responsibly toward its workforce, but it also has a duty to remain viable.

The ethical responsibility is not to preserve every job regardless of cost.

The ethical responsibility is to make decisions fairly, transparently and with consideration for those affected.

The Global Labour Market

One of the assumptions often underpinning opposition to offshore outsourcing is that domestic jobs are inherently more valuable than overseas jobs.

This is worth challenging.

Why should a job created in Portsmouth, Southampton or Manchester be considered morally superior to a job created in Cape Town, Durban or Johannesburg?

Workers overseas have families, ambitions and financial responsibilities too.

When offshore outsourcing is conducted responsibly, it can:

- Create skilled employment.
- Support economic development.
- Provide career progression.
- Improve social mobility.
- Develop professional expertise.

The ethical question should not be:

"Is the worker domestic or offshore?"

It should be:

"Is the worker being treated fairly?"

Ethics should be based on people, not geography.

The South Africa Example

South Africa provides an interesting case study.

The country has developed a world-class customer experience industry with strong English language skills, cultural alignment with the UK and a highly educated workforce.

For many individuals, contact centre employment offers:

- Stable careers
- Professional development
- Management opportunities
- International experience

Businesses that engage responsibly with South African operations are not exploiting workers.

They are investing in talent.

The ethical challenge is ensuring that these workers are treated as colleagues and professionals rather than simply as a lower-cost alternative.

The Real Ethical Test

The real ethical test is not where the work is delivered.

It is how the work is delivered.

Questions businesses should ask include:

- Are employees paid fairly?
- Are working conditions safe?
- Is there investment in training?
- Are opportunities for progression available?
- Is employee wellbeing supported?
- Is customer service maintained or improved?
- Is data protected?
- Is the relationship transparent?

If the answer to those questions is yes, offshore outsourcing can be both commercially sensible and ethically responsible.

If the answer is no, the model is likely unethical regardless of where the operation is located.

What About Existing Employees?

This is perhaps the most difficult aspect of the debate.

When offshore outsourcing affects existing domestic employees, businesses have responsibilities.

These responsibilities include:

- Honest communication.
- Meaningful consultation.
- Fair treatment.
- Adequate notice.

- Redeployment opportunities where possible.
- Respect and dignity throughout the process.

Poorly managed change damages trust far more than change itself.

Employees understand that businesses must adapt.

What they rarely forgive is feeling misled, ignored or treated as expendable.

The ethics of outsourcing are therefore often determined less by the decision itself and more by how that decision is implemented.

The Future: Partnership Rather Than Replacement

The most successful organisations increasingly view offshore capability as an extension of their business rather than a replacement for domestic operations.

Hybrid models allow organisations to combine:

- Domestic leadership.
- Domestic expertise.
- Domestic quality assurance.
- Offshore operational scale.
- Offshore flexibility.
- Global talent.

This approach creates resilience while preserving critical local capability.

The future is unlikely to be entirely domestic or entirely offshore.

It will be integrated.

A Different Question

Perhaps we are asking the wrong question.

Instead of asking:

"Do businesses have a duty to employ domestic workers at any cost?"

We should ask:

"How can businesses create the greatest value for customers, employees and society in a sustainable way?"

Sometimes that answer will be a domestic workforce.

Sometimes it will be a hybrid model.

Sometimes it will involve offshore delivery.

The ethical answer is not determined by location alone.

It is determined by intent, fairness, transparency and responsibility.

Conclusion

Businesses should value domestic employment.

They should invest in local communities.

They should consider the impact of their decisions on existing employees.

But they do not have an unlimited obligation to preserve domestic jobs regardless of commercial reality.

A business that ignores competitiveness, efficiency and sustainability in pursuit of an absolute principle may ultimately fail both its employees and its customers.

The ethical responsibility of leadership is not to avoid difficult decisions.

It is to make those decisions thoughtfully, transparently and fairly.

Offshore outsourcing is neither inherently right nor inherently wrong.

Like any business strategy, its morality depends on how it is executed and whether people remain at the centre of the decision-making process.

The question is not whether work is delivered domestically or offshore.

The question is whether the organisation can genuinely say it has balanced commercial necessity with human responsibility.

That is where ethics begins.