

CIMA

Chartered Institute of
Management Accountants



TRANSFORMING THE FINANCE FUNCTION

*Talent management for world-class
performance in offshore business service
centres*

BEST PRACTICE IN SRI LANKA

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About

About CIMA

The Chartered Institute of Management Accountants (CIMA) was formed by industrialists in 1919 as the Institute of Cost and Works Accountants. As business needs changed, CIMA has put an emphasis on management but we still qualify accountants to meet employers' needs. CIMA gained a Royal Charter in 1985 and became the Chartered Institute of Management Accountants. Today, CIMA has 80,000+ members and 90,000+ students in over 160 countries. CIMA strives to ensure that the CIMA syllabus, assessment process and continuing professional development resources will meet the changing needs of employers across the globe and thereby enhance the career prospects of our members.

About CGMA

A joint venture between CIMA and the American Institute of Certified Public Accountants (AICPA), with its 370,000+ members, was launched in January 2012 to elevate the status of management accounting profession worldwide with the Chartered Global Management Accountant (CGMA) designation.

The CGMA designation identifies management accountants who are supported by the combined global resources of both CIMA and AICPA to meet employers' needs.

About SLASSCOM

SLASSCOM acts as the catalyst of growth for the Sri Lankan IT and Knowledge Services industry by facilitating trade and business, propagation of education and employment, encouragement of research and innovation, and by supporting the creation of a progressive national policy framework.

The future of finance

CIMA works closely with major employers and academics in order to maintain a keen understanding of employers' needs of their finance professionals and how the role of the finance function is changing. We apply this understanding to continually develop our syllabus and help our members to future-proof their careers. We have noted the following key trends in how the role of finance is being transformed:

- There is a relentless drive for greater efficiency. For finance functions this takes the form of shared service centres (whether in-house or out-sourced), systems standardisation, process improvement and automation.
- Commercial insight and better information from data about drivers of cost, risk and value are needed to inform operational and strategic management.
- Greater influence and professional objectivity is required to ensure that organisations are managed in the long term interests of stakeholders.
- Transparency in reporting the organisation's position, performance, prospects and impact is required to inform and engage stakeholders.
- These developments have implications for the skills and competencies required. Developing and retaining talent has become a priority.

The expanding role of shared service centres:

Shared services centres whether in-house or out-sourced have important roles to play in this transformation of the finance function. They may be formed initially to reduce the costs of routine processes but they have the potential to provide better management information and external reporting. They could exercise influence, improve performance and might even transform how businesses operate.

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Foreword

It gives me great pleasure to introduce this CIMA Executive Report.

CIMA has a long tradition of developing education, training and employability for its students and members in Sri Lanka. The local market is buoyant and developing but we cannot rest on our laurels. The business world is changing and particularly so with the advance of the digitally connected, knowledge-based economy. This brings with it more challenges than opportunities.

Sri Lanka is well placed to act as an offshore location for Business Process Management. People are often surprised to find that the island not only has a strong tradition in accounting but has also developed its own expertise in shared service centres based on local, rather than expat, talent.

I believe this puts Sri Lanka in a unique position to develop a sustainable, rather than a fleeting, role in the global knowledge economy. This research report in conjunction with Loughborough University, SLASSCOM and local practitioners is a valuable step forward in addressing those challenges and opportunities.

Bradley Emerson
CIMA Regional Director

SLASSCOM represents the interests of the Business Process Management sector in Sri Lanka. SLASSCOM facilitates trade and business, propagation of education and employment, encouragement of research and innovation, and by supporting the creation of a progressive national policy framework to expand exports by Sri Lankan based IT/BPO/KPO companies.

It also has important responsibilities for ensuring that the exciting growth we have seen in the past few years is sustainable, and also Sri Lanka continues to provide an environment that has a range of facilities that meet the needs of international organisations.

The development and projection of genuine thought leadership in rapidly developing sectors requires sound research and the involvement of key players. It gives us great pleasure to work with CIMA and Loughborough University in taking the pulse of an industry on the move and in helping our member organisations to share best practice.

Networking meetings such as the Forum held on 18th January 2013 are excellent opportunities for the finance and accounting community to come together to discuss issues of mutual concern and share best practice. It is particularly useful that on this occasion, key insights from the meeting and prior research by Loughborough University have been captured in this report and will be disseminated to a wider audience.

Imran Furkan
Executive Director-SLASSCOM

Report overview

This CIMA/SLASSCOM executive report is organised in the following way. First, we offer an introduction to the Sri Lankan context and provide background information relevant to the growth of Offshore Business Service Centres. We then focus on Talent Management as a key issue in the global business services industry, and explain why it is a particular issue in Sri Lanka. This theme is explored further by examining individual contributions on five related topics in more detail:

- Skills, accounting qualifications and CPD
- HR capacity Challenges
- Progression in the BSC, motivation and career paths
- The importance of being innovative in Leadership methods and continuous improvement
- Generation Y: Recruitment and Retention
- Leveraging Language: the Multi-lingual workforce

We then focus on Structural and Organisational issues relating to Offshore Business Service Centres in Sri Lanka, particularly investor issues, infrastructure issues, organisation and innovation issues, and moving forwards with remote rural sourcing. The final substantive section of the report considers Performance Managing Talent as a key strategy, especially performance management for offshore service centres, with a more detailed examination of performance management in Sri Lankan Shared Services. Finally, we offer a summary and some conclusions.

Transforming the finance function: Talent Management for World-class Performance in Offshore Business Service Centres: Best practice in Sri Lanka: Key Findings

- Business Process Management (BPM) based upon new organisational models, such as shared services and third party outsourcing, presents an opportunity to deliver significant cost savings. However, new challenges are emerging in the shifting landscape of the global knowledge-based economy. The saying 'move for cost, stay for quality' is a key focus for individual service centres and for regional policy.
- Recruitment and retention issues are presently being managed in a variety of innovative ways. There is a need for a range of skills to allow both individual centres and the sector as a whole to grow. Creative and inspirational leadership is required to recruit, retain and motivate staff across different stages of the growth cycle in a competitive labour market. Whilst work routines can be repetitive the empowerment of employees at a team level is key to maintaining the momentum of continuous improvement and to build a strong identity with the mother/host organisation.

- Talent management is a key way in which recruitment and retention issues can be addressed, including articulating career paths, leadership development and routes to professional development. Such strategies should aim to engage younger, aspirational employees in particular who are looking to build a career in business services, especially finance.
- Language competence is a major strength of the Business Service Centre industry in Sri Lanka as there is a large talent pool to draw on. However this also poses a risk factor due to these individuals being potentially globally mobile, especially to destinations such as Australia, New Zealand and Singapore. This is a further reason to address talent management and retention.
- Moving up the value chain is a common aspiration but there has to be both labour capacity and on-going skill development to underpin this. A professionally qualified workforce needs to be built from a solid membership base otherwise there are neither mentors nor role models to nurture the next generation. Organisational learning is key to the ability to deliver this transformation.
- Co-ordination is required across the sector to make the best of the present opportunities and to react to competition from other offshore locations. Professional bodies such as CIMA and SLASSCOM have important roles to play in the sharing of best practice between organisations through peer-to-peer networking forums, and by co-ordinating education providers and government agencies. Professional qualifications are required specifically for BPM workers.
- New business practices are emerging to create both increased flexibility and sustainability of offshore centres. In Sri Lanka, remote rural sourcing, enabled by digital rather than hard infrastructure, is helping to rehabilitate war-torn and tsunami hit rural communities whilst increasing the overall skills pool labour flexibility for service centres.
- Performance Management needs to move beyond 'managing by the numbers', to embrace strategies based on communication and empowerment. This will complement approaches to talent management and retention.
- Continuing Professional Development is a key sustainability strategy and relates to the ability of organisations to keep pace with change and of individuals to develop their careers.

Transforming the finance function: Talent Management for World-class Performance in Offshore Business Service Centres: Best practice in Sri Lanka

1.0 Introduction

Why here, why now?

Dharshan Cooray

CIMA Sri Lanka

The large scale relocation and reconfiguration of business support functions into Business Service Centres (BSC) is a relatively new phenomenon. The concept of 'externalising' functions, such as Finance, HR, IT, Procurement, etc., that have traditionally been situated in functional hierarchies close to business units through new organisational forms, such as shared service centres (SSC) or business process outsourcing (BPO) has been around since the 1990s. However, the emergence of fast and robust internet connectivity is enabling a rapid expansion of job migration patterns and process innovation. No longer is 'back-office' work constrained geographically; the development of truly global, real-time, Enterprise Resource Planning systems (ERP) is enabling offshore business service centres (OFBSC) to reshape both the corporate landscape and regional labour markets in far reaching ways.

Whilst much of the 'debate' in the popular press of developed countries such as the United States and the UK tends to focus on the economic and social impacts of white-collar job losses, it goes without saying that the development of the global, knowledge-based economy also has significant implications for both the nature and location of professional work; especially for Global Chartered Management Accountants. Of particular interest, both from CIMA's viewpoint and the offshore industry more generally, is the situation in Sri Lanka, where the BPM sector is strong, confident and growing. Somewhat unusually for offshore locations this success has been built largely on local talent, rather than imported expatriates. (An analysis of the Sri Lankan business context is included as appendix 2). A major strength in Sri Lanka is that the sector is based on a strong tradition in professional accounting, particularly the CIMA qualification.

Sri Lanka's BPM industry is currently the focal point of concerted attention from the country's government as well as investors (see appendix ii). Having shown a growth in momentum, the Sri Lankan ICT/BPM industry is among the top five export revenue earners for Sri Lanka, employing a workforce of over 35,000, with exports amounting to over US\$ 600 million (Annual Report 2012, Central Bank of Sri Lanka). Despite this dynamic environment, the challenges for management are arguably greater for off-shore service centres (OFBSCs) because these will be remote both in terms of physically and time-zone separated from people in the mother organisation. Moreover, they will likely be green-field organisations and thus

staff will not have been inculcated into the working culture of the mother organisation over time. Further complexities may result from the context of the local service centre industry and education systems, for example, competition for staff between centres. With these issues in mind, in January 2013 the CIMA-Loughborough BSC project explored the way in which OFBSCs in Sri Lanka were being managed and how they were seeking to overcome the challenges and make the best of the arising opportunities in the country. The research was undertaken in two stages; 1) visits to the service centres of six prominent organisations and interviews with key managers; 2) a meeting of the CIMA-Loughborough BSC Forum in which participants discussed common issues in focus groups and invited speakers presented their specific insights on both challenges facing individual centre management and service centre sector in Sri Lanka. This executive summary reports on the challenges facing the BSC sector in Sri Lanka and suggests emerging examples of best practice that might be shared amongst the business process management community both in Sri Lanka and across the globe.

1.1 The talent context

Dushan Soza

WNS Global Services Pvt. Ltd

Before considering issues relating to Offshore Business Service Centres (OBSC's), it is first important to understand the maturity phase in which the organisation finds itself, as this then impacts on the skill-set required of the workforce, which in turn has implications for the talent management aspects of the organisations' HR strategy. These considerations especially apply in the dynamic Sri Lankan context (see appendix ii). Important considerations include the key skills required for shared services in offshore locations and the importance that is placed on improving the customer experience in terms of providing a better, faster, more accurate and scalable service, in addition to the more obvious benefit of cost savings. Dushan Sozan Managing Director of WNS, offered the perspective that that different skills are required at different times, such as the four evolutionary phases of service centres; start-up, stabilisation, growth and maturity.

Accordingly, the specific skill requirements for professional workers will change over time. As the centre grows people will need both different leadership styles and different technical skill-sets to migrate, stabilise, manage, and improve processes. As new activities are progressively introduced such as payroll, receivables, payables, etc. employees are expected to expand their skills and thus grow in a horizontal manner. Figure 2 shows how as one activity, the example here being payroll, is progressively reconfigured as the next activity is migrated and so forth. In the set up phase, a reputation is acquired for managing one activity followed by the start of another.

It is a continual process. Let us examine these four phases in more detail.

In the initial start-up phase, setting up the shared services and migrating activities inwards, workers must be able to manage the adoption and standardisation of processes and liaise effectively with the mother organisation. In this stage there are two major issues; bringing in and standardising all the different distributed businesses into a single location and then co-managing it in conjunction with the client organisation. The main concern is to standardise the different processes. Whether it is a captive or a third party environment, project management is the key skill set. The initial types of work would be mainly transaction driven such as payroll, probably some journal posting, handling queries, reviewing work and week and month-end reporting.

In the second stage of stabilisation it is necessary to move seamlessly from just getting the job done to being able to do the job efficiently and reliably on an ongoing basis. In other words, processes must be re-engineered to remove unnecessary tasks and made robust and scale-able. In the set-up phase it is sometimes necessary to direct resources at a problem to keep the service running, but this can only be tolerated for a short time. In the stabilisation phase the improvement of services must be actively managed through business process re-engineering and mapping. This will include the creation of high quality process documentation, maybe down to a keystroke level. In the early days of offshore services this re-engineering tended to be done on-shore before migration, but as OBSC's gained a reputation for high quality redesign more work is coming in a raw state. A high level of technology support is necessary in order to cope with any new platforms that are being implemented. The key skill sets here are in solution design both from a domain perspective as well as the work-flow perspective.

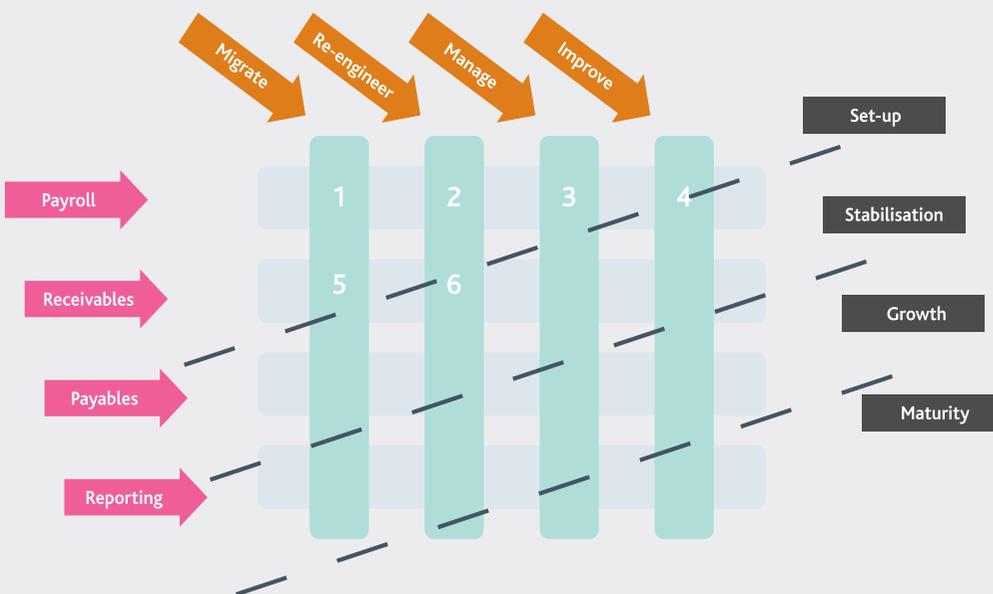


Figure 1: Reconfiguring activities in the finance function.

“This sense of challenge and the ability to follow through into new systems and working practices is what distinguishes an individual service centre or indeed, an offshore location from merely doing low-cost transactional work.”

In the third stage, growth, there is a need for people who are capable of setting up management structures and working routines on a larger scale as the work of more business divisions are brought on board. There will be opportunities to further develop the harmonisation of processes across the client organisation. This goes beyond relatively blunt standardisation. The conversation is likely to start in terms of ‘We’ve noticed this happening, and if we make some small changes to how we all work the end customer will still be happy and there are significant efficiency savings’. The concept of a ‘single source of the truth’ across an organisation is crucial for sophisticated data analytics and the elimination of wasteful shadow systems in the client organisations’ business units.

The other change is that the governance structure will become more formalised and the Service level Agreements that were initially used to scope the service and set-up a basic level of control will be fine-tuned with amended KPIs and indeed perhaps some new ones. The reporting and escalation procedures will also change. On the one hand, performance reporting will become more automatic but there will also be greater emphasis on accountability. The objective is to have one seamless process that will handle all the different business functions. This may require reorganisation of the entire catalogue of work and a new management structure based on the processes that are being carried out.

The final stage, maturity, requires staff to be fully competent with all the relevant technology platforms used by the organisation and thus to further streamline and optimise processes. New skills will be required to design and operate data analytics programmes to draw information from anywhere in the business regardless of geographical location. This stage focuses on transforming the way the client organisation works. Bringing in further new technology platforms and being able to respond to business managers ‘straight off the point’, potentially using software which tracks all those transactions through time taken from one point to another. This greater transparency enables instant reporting on, for example, cycle time taken. Here the finance function in the service centre is not just expected to do the original activity but to look at what needs to be done proactively and to suggest, and lead, change for the benefit of the organisation. This may even extend to asking whether the service centre needs to still be undertaking a particular activity or perhaps whether a self-service menu could better provide managers with access to the information and services that they need? This sense of challenge and the ability to follow through into new systems and working

practices is what distinguishes an individual service centre or indeed, an offshore location from merely doing low-cost transactional work managers with access to the information and services that they need? This sense of challenge and the ability to follow through into new systems and working practices is what distinguishes an individual service centre or indeed, an offshore location from merely doing low-cost transactional work.

The fifth phase of maturity is therefore characterised by the OBSC having the ability to move up the value chain, but this brings new challenges to the talent management aspects. Initial reasons for locating transactional work in an offshore service centre can become marginalised and a new set of priorities present themselves. Cost-arbitrage erosion means that along with increased hiring costs, the talent is attempting to move up the value chain, providing higher end services such as analysis. OBSC skill sets cover a range from basic transaction processing through to such high-end work, including support activities such business process re-engineering, continuous improvement specialists and process management leaders. Skill imbalances in any one aspect can negatively impact the set-up of a complete operation.

Having considered the developing context of Offshore Business Service Centre work in Sri Lanka, does the workforce have the capacity to step up to the mark in this challenging and rapidly developing environment?

Insights on the desirability of Sri Lanka as an offshore business service centre destination are presented in appendix ii by Imran Furkan, Executive Director of SLASSCOM. These insights, in addition to our own research and our key informants have informed the view that the Sri Lankan workforce has proved to have an extremely positive attitude to professional learning. A strong professional education system in Sri Lanka, with graduates well-versed in areas such as F&A (finance and accounting), Law and Banking yields talent capable of handle high-end analytical work, yet, due to the size of the population compared to larger neighbours such as India, capacity issues when servicing large clients requiring 300-400 seats or more are another consideration. This is further exacerbated, with talent attracted to opportunities for higher pay in other parts of the world. Further, attrition, an inescapable trait of the industry, brings with it a loss of investment. Thus there are positive factors, in respect of the human capabilities, but also issues to address in respect of business sustainability.

1.2 Talent management in offshore service centres in Sri Lanka: Key issues

Andrew Rothwell, Ian Herbert and Stephanie Lambert
Loughborough University

In the ten-year Loughborough-CIMA research programme investigating the transformation of the finance function, a number of issues have emerged as potential game-changers. Our exploratory work in Sri Lanka had highlighted that in Sri Lanka talent management was of headline importance. Accordingly, we set out to get an evidence-based perspective on the issue. As Dharshan Cooray has explained above, a two stage data collection process was undertaken, first involving expert insights from a CIMA-Loughborough Offshore Business Service Centre (OBSC) forum, one of a series that CIMA and the Loughborough research group have held around the world in countries where CIMA has a notable presence. In a series of break out groups, forum participants discussed the challenges facing BSCs in Offshore Centres and in particular Sri Lanka. The concerns aired at the forum overlapped and impinged on each other, but could be broadly categorised into four main areas which related to the Country, Organisation, Systems and Talent, as shown in figure 2 (below). Second, interviews were conducted in both public and private sector organisations based in Colombo. The overall evaluation from delegates and our field research was that issues relating to human resources were a high priority, especially talent management, with a range of second-order issues which we will consider later. Across the industries studied, early analysis reveals an emerging theme of the BSC environment balancing more immediate performance management with sustainability in terms of recruitment and retention. This report presents the aggregated results, with some first-hand insights and quotes from leading figures in the world of Sri Lankan business service centres.

So what do we mean by Talent Management? To some extent it depends on whether you see Talent Management as focused on your 'A' list employees – those who you want to be outstanding performers and future leaders in key strategic roles, or whether you see all your new hires as potential organisational talent in a more inclusive approach.

Does it matter? Well yes, actually. Traditional approaches to Talent Management will often talk about a 'life cycle' approach, starting with attracting talent, then moving through a series of stages such as selection, on-boarding, rewarding, developing, performance-managing and de-boarding. We believe that this approach is far too simplistic and ignores some really fundamental issues, especially about asking the really searching questions at the start of the process and continuing to challenge all the way through. If talented people really are the driver for our competitive advantage, then Talent Management is an approach that's worth getting right, and especially in the context of a competitive environment for Offshore Business

Service Centres in Sri Lanka. The Association of International Certified Accountants and CIMA's joint 'Chartered Global Management Accountant' report (2012), 'Talent pipeline draining growth' noted talent issues as being of global concern, while their 2012 report 'New Skills, Existing Talents' noted the new pressures on global accountants in operating at a more strategic level.

Talent management is far from a new concern:

In 1998, McKinsey consultants coined the phrase 'The war for talent', emphasising the importance of selling, and selling hard, the 'employee value proposition' – in other words, why someone would want to come and work for your company? Strategies included a focus on sourcing talent, aggressive development of talent, and the importance of feedback and performance management – including moving on poor performers. In 2008, the Economist Intelligence Unit reported that the war for talent was intensifying, and the search for talent was going global. They also noted that:

- Finding people with a arrange of skills was a priority – including the right qualifications
- Talent management was too important to be just the focus of Human Resources – it needs to be an integral part of Business Strategy
- 'Out of the box' thinking is needed – including sourcing staff from other countries and other industries, to collaborate with educational institutions to support their training, and even to collaborate with other businesses to expand the pool of skilled employees.

In 2013, just five years on, with the after-effects of a deep and enduring recession in the west still being felt, dynamic economies such as Sri Lanka find both opportunities and threats in the global war for talent. On one hand a technically literate, well-educated and energetic workforce, who offer labour arbitrage advantages over many older economies, together with good technical infrastructure and political stability have made Sri Lanka and appealing destination for Business Service Centres (appendix ii). On the other, the global war for talent brings the temptation of overseas working to Sri Lanka's ambitious young workforce – now, employers have to pay attention to the value proposition if they are to retain their workforce and sustain success.

Important drivers for all the case organisations included cost reduction, process excellence, standardisation and continuous improvement all of which require an innovative approach to leadership, coaching, career management and reward schemes. Indeed, 'people management' is a key strategy in addressing most of the challenges in this sector. It was evident that extensive use is made of peer-to-peer networking forums and reciprocal company visits. Emerging topics included;

- Skills, Accounting qualifications and CPD
- Progression in the BSC, motivation and career paths
- The importance of being innovative in leadership methods and continuous improvement
- Generation Y: recruitment and retention
- Jumping the language barrier
- Moving forwards with rural sourcing

This report considers these issues in turn, with a further focus on how success can be sustained in a Sri Lankan context, incorporating findings from our recent field work in Sri Lanka, complemented by observations made by key informants at a Loughborough-CIMA discussion forum, January 2013. This was the latest of a series of fora that have been held in a range of locations throughout the world and especially where CIMA have a presence. In addition to keynote presentations from industry

experts, consultants and academic thought leaders, attendees are encouraged to share their own views, including issues, problems and matters of concern in a collegial environment. The Colombo forum was no exception, and a wide range of issues were discussed, which have been presented on the mind-map illustrated in figure 1 below. Many of these related to the country and organisational and contextual factors. Content relating to presentations from the forum are included in this executive report including:

- how the evolution of business service centres impacts on the skill requirements of employees (Dushan Soza, 1.1 above),
- structural and organisational issues relating to offshore business service centres in Sri Lanka (Dinasha Stephen, 1.3, below),
- performance management aspects (Ian Herbert and Dr. Arul Sivagananathan, 2.1 and 2.2 respectively)

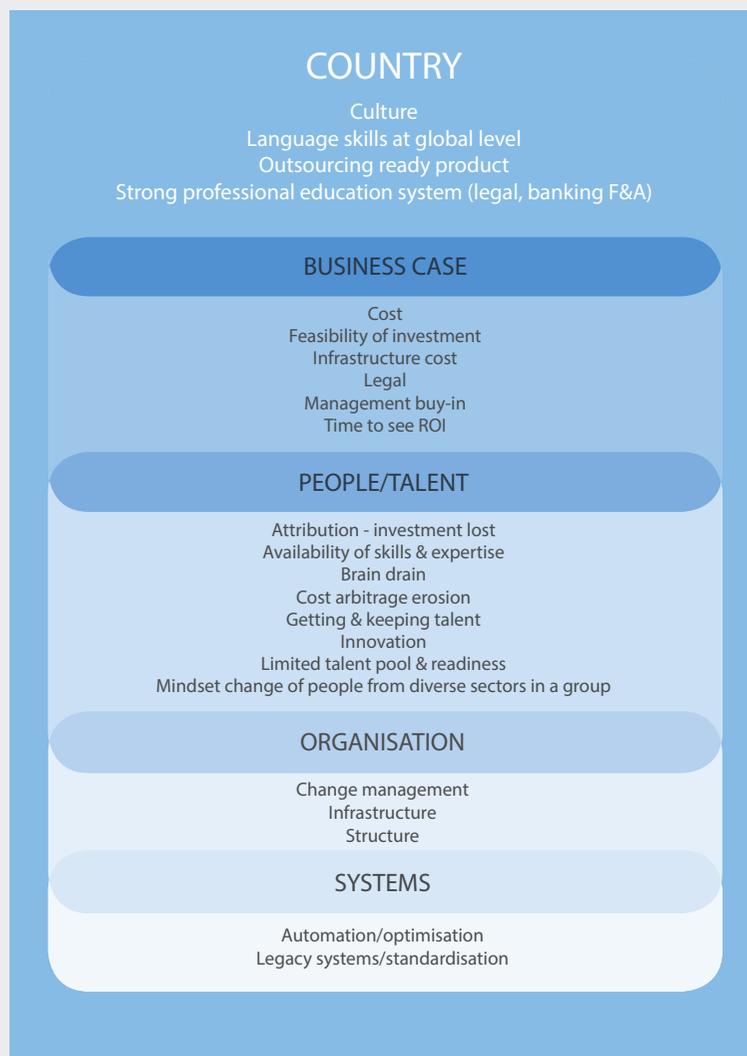


Figure 2: Mind-map of issues discussed at the CIMA-Loughborough Shared Services Forum, Colombo

1.2.1 Skills, accounting qualifications and CPD

Stephanie Lambert

Let us first focus on accounting qualifications and CPD. Many senior positions within BSCs in Sri Lanka are staffed by members of UK chartered accountancy bodies, with a strong representation of CIMA members. Many accountants have previously joined from financial accounting or auditing roles and thus have a largely technical rather than business background. The consensus amongst the interviewees was that this strong technical background is a 'must' if you want to reach the top of the BSC organisational structure but that as OFBSCs (offshored business service centres) move up the value chain more rounded skill sets will be required. It is evident that the CIMA members interviewed appreciated the additional dimension to the qualification that can complement their practical expertise with the relevance that it holds for the future OFBSC agenda. Some of the interviewees also voiced the need for training, through professional bodies, specifically tailored to work in OFBSCs. Not only would this equip the future generation of OFBSC workers with a suited skill set it would also promote the reputation of the OFBSC as a professional vocation opposed to the misunderstood 'data monkey' perception that many young Sri Lankans (and their elders) hold. The managers and seniors interviewed were all very keen to change this perception and in their opinion, this begins with education about the work happening in the OFBSC as well as how to work in them and build a career.

New starters in the OFBSC are not the only ones trying to forge a sustainable career path. The managers were clear that continuous professional development (CPD) is important if you are to manage an OFBSC. Some admitted to neglecting formal CPD, however there was a general consensus that some activities were making a contribution to professional development but didn't necessarily factor into to the managers CPD 'hours'. However, there was a clear cut distinction between official and unofficial CPD that these professionals are engaging with. For example many managers found that the activity of training individuals for higher positions helped to expand their professional state of mind; firstly the challenge, secondly knowledge sharing and finally nurturing those 'soft skills' required by a senior position. In addition, some managers found that they were able to keep their professional skills up to date through the 'continuous inflow of new blood'. The younger generation coming into the OFBSC brings new and up to date practical knowledge, new attitudes to working, and the requirement for the senior to impart the knowledge already instilled in the organisation including company values, visions and culture. Many of the managers interviewed were also in agreement that 'on the job' training provides much of what they need in terms of their professional development which was attributed to the dynamic growth and development of the OFBSC work in Sri Lanka. One of the significant sectors in Sri Lanka is finance and accounting, in which qualifications such

as CIMA accreditation are very much in demand. This tends to present young people with a relatively clear and concise vision of what can be expected from an accountancy career path, but the traditional patterns of qualification and progression are not echoed by opportunities in the BSC industry. As one respondent stated:

“We need to explain the value in, say, CIMA finalists coming into the BSC and getting experience of the day-to-day transactions in world-class process streams. This is the first challenge regarding BSC personnel.”

Some companies eg. WNS, provides a clear learning path for staff which includes a Finance & Accountancy University with real courses and modules vetted by senior accountants at the firm. There is a high level of importance placed on training and strong emphasis on self-learning. Training is a key part of the non-financial rewards that staff can accumulate through their employment leading to better employability and mobility. Increasingly, there are opportunities opening up for secondment overseas. As Dushan Soza identified:

“- we need to get the education right. We have the infrastructure here, we have the talent pool here and we have a vibrant, young workforce to direct. I have mentioned the need for a deeper understanding of global financial products but it is also about encouraging the talent pool to stay here in Sri Lanka and for them to understand that the global opportunities are still here. Many are impatient, such is the risk with a younger generation however, if we go back to the education and instil the right perspective from early on then maybe we can keep these valuable skill sets in Sri Lanka; it's all about incubating our talent”.

1.2.2 HR capacity challenges

Ghanshyam Das Khandelwal

Head of Service Delivery, HSBC Securities Services Operations, Sri Lanka

Dushan had primarily focussed on the skills agenda within the development cycle of individual OFBSCs. The next panellist, Ghanshyam Das Khandelwal, had more recently moved to Sri Lanka from other areas of the banking giant, HSBC. He was thus able to provide the forum with unique perspective on Sri Lankan service centres within the context of global developments. Ghanshyam began by explaining his role heading a team of 600 in Colombo and how employees need to think and act globally despite their geographical location in Colombo.

“It’s a very global role - you could be sitting in Sri Lanka and still be very well informed about the UK, Hong Kong, or Chinese economies.”

There is a great talent pool in Sri Lanka which has good English speaking capability. Unfortunately, this presents both a strength and a weakness, as talent is developed but then drifts overseas to countries such as Australia and New Zealand. Thus a key challenge is to train and retain but also to attract those who might be returning for opportunities in Sri Lanka for the long term. Sri Lanka also offers great infrastructure for setting up, growing and maturing BSCs. There is good technology in the country which is readily helping Sri Lanka to connect to different parts of the world and perhaps presenting the world as flat to a certain extent. The industry itself is well supported by the government providing tax subsidiaries and there is good growth in the BSC domain.

Driving sustainable growth

However, a key challenge for Sri Lankan service centres is that we must continue to strive for growth, standing still is not an option in an increasing competitive offshore service industry. Sri Lanka has a very appealing cost structure at the current time and it is important to understand how to continue this. One aspect of continuing this drive is to incubate Sri Lanka’s talent. There is a problem in Sri Lanka in that a large chunk of the talent is going elsewhere; there are opportunities abroad that seem more appealing for those that want to climb the ladder quickly. So, far, a strategy for us is to support those workers that are returning back to Sri Lanka after working elsewhere and developing these people and in essence incubating Sri Lankan talent. There is the chance to get the global experience without moving out of Sri Lanka. We work with many clients globally and our knowledge extends past Sri Lanka, you can really acquire a global experience working within the shared services. Younger people need to understand this, and exporting

Sri Lankan talent needs to be reduced somewhat. Whilst the people here are very good there isn’t necessarily the capacity required with the growth in the sector. At a country level there does not seem to be a peer market in depth to recruit from. It is to be hoped that a greater number of companies, especially in the financial services sector will begin to create a sustainable ecosystem to recruit from. Whilst this could be seen as cannibalisation between firms at one level, it could open up partnerships to further grow the industry and the people. Support from professional bodies such as CIMA and SLASSCOM is promoting this.

There are also both opportunities and threats presented by the age profile of the work force in Sri Lanka. Young people can bring a sense of vibrant energy which only requires channelling and directing to create very productive outcomes. However, this can also pose a problem in that it can be hard to control. The younger generation are continuously seeking more challenges and looking out for the next step in their careers which some organisations may not be able to satisfy. Indeed, some employees are expecting too much from the BSC, too soon. For growing multinational companies such as HSBC it is possible to satisfy ambitions for personal growth and advancement either in Sri Lanka or overseas, although promotion must be deserved and not be simply a short term reaction to pressures of staff loss. The sector needs to think carefully about this issue, because potential entrants need to have realistic expectations but at the same time the high flyers with leadership potential need to see service centres as appealing place to start their careers. Indeed, a difficulty with recruitment is that there is a stigma attached to the industry due to its origins in the outsourcing of very transactional jobs. This has now promoted the use of the more generic term BPM (business process management) as it reflects that there is a lot more that can be done in service centres. OFBSCs provide global roles within global culture and this is a great platform from which to launch a good career. This understanding needs to be defined and promoted.

Continuous improvement

There is an inherent risk that people within the BSC may become too process-based and factory-minded in their thinking and lose sight of the big picture which can consequently suppress innovation. In becoming too standardised around a single task it is likely that an individual will lose sight of the bigger picture and what we are all working towards. HSBC is a large global organisation, and though we are just a piece of it we have real strategic importance to the organisation as a whole. I think that sometimes employees overlook this point. There is not necessarily an answer to this challenge currently, but mitigating this risk should certainly be high on any organisation’s agenda. I think it’s very important to get the seat in the board discussions to influence the strategy of the organisation, even though we are probably more driven from the outside. One aspect for refinement and development, in my view, is the understanding of financial products globally; Hong Kong and Singapore as prime examples of this. The fact that

a service centre is serving the globe needs to be instilled in an employee's education from day one and HSBC is investing in financially focused personnel in Sri Lanka. The education in the country is great and the skill sets of the potential employees here is very good, but there is some requirement for more specific training which Sri Lankan BSCs should be nurturing. I think that the knowledge surrounding financial products globally is an example of where improvements can be made.

“In an offshore centre there is a lot of strategic push from the mother organisation but it is very important that the centre is not unduly subservient and creates an agenda for change that is mutually beneficial”

It is this deeper understanding that we need, young people must understand that there is a technical importance to the work in the BSCs. For instance, there is significant potential for the service centre to make a contribution to strategy within the wider organisation. Indeed, if the BSC is not in a position to influence the broader thinking and the business roadmap of the organisation as a whole, then there is not much that can be achieved from the perspective of the capacity challenge. In summary, we need to get the education right. We have the infrastructure here, we have the talent pool here and we have vibrant, young workforce to direct. I have mentioned the need for a deeper understanding of global financial products but it is also about encouraging the talent pool to stay here in Sri Lanka and for them to understand that the global opportunities are still here. Many are impatient, such is the risk with a younger generation however, if we go back to the education and instil the right perspective from early on then maybe we can keep these.

1.2.3 Progression in the BSC, motivation and career paths

Dushan Soza, Stephanie Lambert

CIMA Sri Lanka / Loughborough University

One of our key informants explained this issue succinctly and clearly:

“There is a problem in Sri Lanka in that a large chunk of the talent is going elsewhere; there are opportunities abroad that seem more appealing for those that want to climb the ladder quickly. So, so far, a strategy for us is to support those workers that are returning back to Sri Lanka after working elsewhere and developing these people and in essence incubating Sri Lankan talent. There is the chance to get the global experience without moving out of Sri Lanka. We work with many clients globally and our knowledge extends past Sri Lanka, you can really acquire a global experience working within the shared services. Younger people need to understand this, and exporting Sri Lankan talent needs to be reduced somewhat. Whilst the people here are very, very good there isn't necessarily the capacity required with the growth in the sector. At a country level there does not seem to be a peer market in depth to recruit from. It is to be hoped that a greater number of companies, especially in the financial services sector will begin to create a sustainable ecosystem to recruit from. Whilst this could be seen as cannibalisation between firms at one level, it could open up partnerships to further grow the industry and the people. Support from professional bodies such as CIMA and SLASSCOM is promoting this”.

Some OFBSCs have got clear strategies for keeping their attrition rates low including bonus remuneration, training (including overseas experience), qualifications and 'grooming' techniques for high potential employees. So what were some of the main issues identified in our research? For example:

“Some juniors come in to our organisation just to get the experience and then move on”.

Cultural and gender issues such as negative perceptions of the industry and a lack of knowledge of its potential may dissuade young people from considering BSCs when making post-school study choices and entering the labour market. For example, working night shifts to align with the mother organisation's time zones can be perceived negatively for women. Our research suggests that given the misconception of the typical Sri Lankan BSC as a 'data factory', many young workers enrol intending to gain the relevant experience or the badge of working for certain organisations and ultimately leave after a short period to follow careers with a more visible vertical career trajectory. For the OFBSC this subsequently means losing valuable knowledge, training and an individual with the understanding of specific organisational cultures. These skills

must be replaced and continue to balance within the OFBSC; a testing challenge and threat to any organisation with a high level of attrition. Sustainability is a key issue at all levels and therefore the focus on retention is high within many of the BSCs. A further issue that emerged during our professional forum, and was also emphasised by our interview respondents, was the need to focus on developing managers and leaders for the future, and in doing so emphasise the internal progression opportunities. The next section of the report explores this issue in more detail.

It is becoming apparent that even though the physical location of the worker is in Colombo, Sri Lanka the employee can rightfully claim global experience. If an employee is working closely with a branch in, say, Hong Kong, then that person has first-hand experience of working 'in' Hong Kong. Working for national clients earns an individual a whole new range of skill sets without having to leave the country. This has benefits for individuals (in terms of enhancing vocational experience in a globalised world and adding 'assets' to their CVs) working in the OFBSC but it also provides huge advantages for the OFBSC itself. Such developments mean that the OFBSC can widen its customer base and serve branches in countries that do not use English; this opens up more custom and the BSC increases its competitive advantage and at the same time increases the value added back to the mother organisation (in terms of a internal marketing of services). It also means that the OFBSC can relocate to more rural (and more cost effective) locations and reveal opportunities for whole new communities in Sri Lanka: an issue we discuss further below. Of course, global transfers for senior staff are seen as a key part of the executive development process, both in-bound to Sri Lanka, and of Sri Lankan 'high flyers' experiencing periods of time in the 'mother' organisation or on overseas assignments.

1.2.4 The importance of being innovative in leadership methods and continuous improvement

Dushan Soza, Stephanie Lambert

CIMA Sri Lanka / Loughborough University

In terms of keeping the managerial motivation for work fresh, there is an appreciation of the need for a management challenge. The nature of the role at the OFBSC means that seniors are required to exercise those 'soft skills' that aren't necessarily instilled by professional technical training alone. According to our respondents, experience in managing people combined with 'in-house' training can cater to these requirements and help to balance the technical specialist and general management skills in those heading up the OFBSC. But how, specifically, are OFBSCs progressing the development of the leaders of tomorrow? How are these professional and essential skills being encouraged in juniors to fulfil leadership positions in the future?

Many BSCs are putting mentoring schemes into place to develop certain members of staff who show willingness and aptitude for such a role. An employee 'scouted' for a senior position will work with the current manager to acquire the skill-sets direct from experience whilst learning about the future role with supervision and guidance. This concretises the soft skills that technical training may overlook and gives the junior the unique opportunity to accumulate OFBSC relevant and specific skills that, at the moment, can only be achieved successfully 'on the job'. According to feedback from the interviews it is activities like these that keep the leaders in the OFBSC challenged, driven and motivated within their own roles.

However, the approaches to training and progression vary significantly between organisations. Whilst some mother organisations give their employees the impression that all developments are being driven into the core activities, rather than the 'sideshow' OFBSC, some are taking clear steps to create a feasible career path within and outside the OFBSC for those who want it. It was stressed that young people especially see work as just one component in a range of life challenges and experiences (a theme which we develop further below). All the case organisations were keen to demonstrate that there is scope to move vertically upwards in a OFBSC based career and also scope to move horizontally across accounting activities and acquire more generic skill-sets such as business process re-engineering and continuous improvements techniques for example, Lean and Six-Sigma. OFBSCs are becoming a useful training camp because workers can move into other roles in the mother organisation having become fully conversant with the generic protocols and procedures. Moreover, the opposite is starting to occur as aspiring managers spend a time on secondment to the OFBSC to get operational experience of the 'nuts and bolts' of functional activities.

Let us hear from one of our key informants, Dushan Soza on the subject of leadership:

"Leadership has different attributes and as the development of the BSC proceeds it is important to understand that a true leader has the capability to adapt to different styles of management. For example, an authoritative leadership style is good for a period of time, especially in the set-up phase when one has to really bulldoze a way through the challenges and driving the agenda personally. There is little democracy here, 'this is the way you should do it and that's the way it shall happen'. But, at a given point of time when you go into the next, stabilisation, phase you have to change to a more affiliate style, which means being able to bring everybody else into the team game, truly consulting, not telling, the other guys. The objective is to make decisions in a more democratic fashion.

In the final two stages, growth and maturity phases, you need to also be a visionary leader. The management style is now about delegation of the leader's authority and worker empowerment because the scale of the centre is going to quickly be beyond the scope of one person. This is 'managing through the people' in other words, not directing and control everything personally but setting a vision and the management structure so that people can see where they are meant to be getting to, and then be able to develop objectives and action plans for their own teams. This is not only necessary at centre CEO level, as the action cascades downwards it only needs to be at the team leader level, and other levels in between now we're talking F&A, has ever handled a span of control more than 10 to 15 people, so if you ask them "so you're now CFO of some company, ABC company, what's your team strength?" he says "oh I have about 30 people". So that's the max 30, here you're looking at 150 to 200 people to be led at the age of 24.

So to me that's the biggest challenge we face is in recruiting the right people: being able to see in one person the potential for all three styles, directive, affiliate and visionary leadership styles. And, the follow on question is 'are we producing those kind of leaders today in Sri Lanka?'. Our education system is such that by the time you come out of the university and gain professional qualification such as CIMA or ACCA you're already 25. We should be inculcating the soft skills and thus developing leaders faster because today the operational level leadership age is dropping all the time. It was around 27 to 28 years but today in the international norm year is nearer to 24. The implication for young people is that if by 25 you're not a team leader, then you're not going to get anywhere in life. There are three consequences for this. 1) developing soft skills earlier. 2) retaining the high flyers that do achieve these positions early and become very marketable. 3) Motivating the others that will be good workers over the long term.

The next issue is whether Sri Lanka has enough leaders that are capable of driving the kind of change that is happening within the BSC arena and have experience of managing larger teams;

something that the Sri Lankan education system does not cater for and something that other industries in Sri Lanka do not provide the scale to develop these skills. On the plus side, the nature of BSC work is so global that if you are working for a client based in one country then that can almost be as good as actually working in that country physically. This instils a valuable global knowledge in employees that may encourage them to pursue careers overseas. In some part due to the success of the finance and accountancy sector there are now people returning from places like India and the Phillipines who are able to move into service centres with further experience of global systems”.

For further insights on leadership and innovation in a Business Service Centre Context please refer to the case study included as appendix iii: ‘On thinking outside the box and customer services’.

“The nature of SSC work is so global that if you are working for a client based in one country then that can almost be as good as actually working in that country physically.”

1.2.5 Generation Y: Recruitment and retention

Andrew Rothwell

Loughborough University

'Generation Y' is essentially a Western construct which often relates to individual traits that are somewhat self-centred, and thus such individuals may demonstrate a tendency to change jobs more frequently. There was much discussion as to the significance of the very young average age of OFBSC workers and whether there was something inherently different about the way that 'Generation Y' workers think, work and relate to careers. These attributes were recognised by our respondents who were of the view that there are both opportunities and threats presented by the age profile of the work force in Sri Lanka. Young people can bring a sense of vibrant energy which only requires channelling and directing to create very productive outcomes.

However, this can also pose a problem in that it can be hard to control. There was a perception that the younger generation are continuously seeking more challenges and looking out for the next step in their careers which some organisations may not be able to satisfy. It was suggested that some employees may have been expecting too much from the BSC, too soon. For growing multinational companies such as HSBC it is possible to satisfy ambitions for personal growth and advancement either in Sri Lanka or overseas, although promotion must be deserved and not be simply a short term reaction to pressures of staff loss. It is also important to note that while attrition rates can sometimes appear high they are simply comparable to similar industries in India, so relative perceptions can be a challenge (Transparency International 2012).

In many cases it appears that young people believe that attaining a professional qualification is a 'quick fix' to CFO level. This could be a factor in the relatively high attrition levels in BSCs, especially as there is a perception of a mid-career progression bottleneck amongst staff to quite flat management structures. In some situations it is clear that any potential career paths up through the OFBSC (or similar lateral opportunities) were not clear enough to the lower level staff. But opportunities actually do exist for those staff that are committed to the organisation and understand the importance of the work that is being carried out in OFBSCs. And of course, those with the potential or foundations for a balanced skill set in terms of technical competence and managerial capabilities. Those who concede to the misconception that the OFBSC worker is all but a data processor and that there is no scope for development will probably find themselves with a self-fulfilling prophecy; to create a career from a role in the OFBSC you will need motivation, drive and a permanent rather than temporary perception of the role. One interviewee explained how their organisation will provide a job for life despite moving to shared services; they will always source workers from their

own companies and provide tangible rewards for commitment and performance.

Managers were keen to stress the importance of getting a solid grounding in the basic routines and procedures within the BSC as this will stand people in good stead in potentially moving into roles within the mother organisation. Some of the interviewees discussed in length the route to further careers in this way which always includes a period working in various roles within the OFBSC. This gives the employer the scope to ensure that the potential leaders of tomorrow have a firm grasp on the company culture, the importance of the OFBSC and knowledge concerning organisational strategy. Some managers pointed out that within a globalised world, talent is a given, and people also need to demonstrate that they are hungry for challenging work and the opportunity to progress. For those that have the right attitude, experience and behaviours there are rewards and attractive openings both within the BSC but also moving into other roles within the 'mother' organisation.

1.2.6 Leveraging language: the multilingual workforce

Andrew Rothwell

Loughborough University

On an important issue related to the subject of skills it is generally accepted that there is a great talent pool in Sri Lanka which has good English speaking capability. Unfortunately, this presents both a strength and a weakness, as talent is developed but then drifts overseas to countries such as Australia and New Zealand. Thus a key challenge is to train and retain but also to attract those who might be returning for opportunities in Sri Lanka for the long term.

Because of the standardised and defragmented nature of the tasks being carried out within BSCs generally there is huge opportunities for technology to automate these activities; we can see this happening in the BSC already however there are new parts of the operation that are just beginning to take advantage of new technical developments.

“The SSC goes beyond transactional work; younger people need to understand this.”

“In Sri Lanka language is an important component of the BSC; workers must be able to communicate in a common way across worldwide branches which frequently means being able to speak English. This is where Sri Lanka is well equipped; there is a large talent pool to draw from with a large presence of English speakers in the country. The lack of language skills possessed by the Sri Lankan work force is certainly not of concern but it is causing a problem as it means these individuals are more globally mobile. Destinations such as Australia, New Zealand and even Singapore perhaps seem more exciting than the city that you’ve grown up in and these opportunities are not few and far in between for those with good English skills and OFBSC experience”.

It is important to remember that the OFBSC isn’t exclusively work for those with English language skills. The technological growth and communication infrastructure (such as the internet) in Sri Lanka has seen the introduction of specific translation software and applications. Software packages able to translate whole documents that are submitted to the BSC are becoming increasingly popular. Employees with the skills to use these systems are another prime example of how the people within the OFBSC must grow and develop with the organisation and such technological advances. But the personal advantages for those individuals dealing with work in different languages in the OFBSC goes far beyond the novelty of translation.

Having identified issues such as engaging with qualifications and CPD, progression and motivation, leadership development, demographic and generational factors, languages and finally new ways of working; a further main theme emerged from this particular enquiry which was performance managing talent.

This issue is explored in more detail below.

1.3 Structural and organisational issues relating to offshore Business Service Centres in Sri Lanka

Dinasha Stephen

CIMA

A range of further factors impacting on the development of offshore business service centres in Sri Lanka emerged from our research. Although our primary focus on this occasion were talent management and performance management, these were recurring themes both in our forum discussion and in primary data collection, and are included here as important contextual factors which will merit further investigation in the future.

1.3.1 Investor issues

Investor perception of the economic potential and sustainability of BPM projects in Sri Lanka was seen as negative by participants in the forum. This could be attributed to the time taken to realise a return on investment. Other factors considered are cost arbitrage erosion, a limited pool of talent and the ability of the country's infrastructure to cater to growing business needs, and cost.

As the OFBSC and shared services models require a significant initial outlay in order to establish operations, the time taken to recoup this investment is perceived as a disadvantage when assessing the feasibility of such projects. The nature of the shared services model, where profit to the whole organisation is not necessarily reflected in individual cost centres, may cause management to question the value of this model to their component parts of the entity. This requires sensitive handling of change management within the organisation and communication of the long term vision and big picture benefits accrued through this investment.

1.3.2 Infrastructure issues

Infrastructure has been a focal point of the government in order to promote the country as a knowledge hub, and much development has taken place. However, costs are still considered high, and increases such as the recent increase in the electricity tariff may be detrimental to shared services centres being set up by companies operating within the country. On a regional level, however, it has been demonstrated that costs are competitive and on par with India, perhaps lower.

Sri Lanka also offers great infrastructure for setting up, growing and maturing BSCs. There is good technology in the country which is readily helping Sri Lanka join up all the different parts of the world and perhaps presenting the world as flat to a certain extent. The industry itself is well supported by the government providing tax subsidiaries and there is good growth in the BSC domain.

Legal frameworks and incentives in place, such as tax concessions and BOI support were seen as conducive to investment. To cater for the advent of rural sourcing (discussed below) and increase access to the talent pool in areas other than Colombo, special incentives are provided to companies starting businesses outside Colombo. In addition, cities such as Hambantota are being equipped with IT parks to better address such requirements.

1.3.3 Organisation and innovation issues

The need for innovation in processes is clear, and automation and optimisation of efficiency of existing systems in order to minimise costs and create value was a concern, with the need for management of the transition process being cited. Standardisation of systems so as to combat compatibility issues with the systems of prospective clients and the transition from legacy systems.

Again there was much discussion about what mother organisations expect from OFBSCs in the future. On the one hand, the BSC is a model for standardisation of protocols and routines but, on the other hand, managers in the business face pressures to constantly adapt to changing customer needs and want to feel that the OFBSC is continually both realigning itself with the business and seeking improvements in efficiency and cycle time. Thus the OFBSC is expected to innovate.

This is not something that is necessarily exclusive to OFBSCs in Sri Lanka. Recent empirical academic work from Murphy et.al (2012) studied small firms in China and claims that outsourcing is now considered a nontraditional solution to business growth in a mix of industrial case studies. Process design, alliance with outsourcers, investment partnerships are now considered to be entrepreneurial strategies for development in small Chinese firms. This demonstrates that the OFBSC can be a solid foundation for innovative progress.

It is in this way that the OFSC is being misunderstood by the younger generation of workers; roles within the OFBSC must do more than process, they must add value. According to the interviewees it is the innovation and value of the OFBSC that must be communicated through education to young people and aspiring professional workers within the country; the strategic importance of the centres is not yet recognised by a younger generation seeking work. The interviewees reported that in their businesses some solutions had come directly from input by junior members, and that in many cases they were trying to encourage and foster innovation at this level. However, there were difficulties here whereby the lack of understanding and visibility of the end-to-end process stunted innovation. One of the interviewees reported that sometimes it was hard for seniors to understand their position in the larger scale organisation or the 'bigger picture' and so could empathise with the passiveness of many junior staff in regard to innovation.

On the other hand, the challenging element of the senior role in the BSC is something that motivates and drives BSC employees. To ensure sustainability of the BSC (Sri Lanka sees growth however, managers are wary of a pendulum effect of interest and investment in the area) innovation around processing, ways of working, ways of capturing data must continually be developed. The technological expansion which Sri Lankan BSCs are experiencing is complementing innovative behaviour at the senior level. Some perceive the increase in technological infrastructure to be another factor contributing towards higher levels of automation and standardisation but it should also be understood that this process reengineering is forcing Sri Lankan BSCs to become more than data processors and add value back to the core business unit. As processes, IT, technological platforms and the organisation change a leader must adapt their style to support development within the OFBSC.

1.3.4 Moving forwards with remote rural sourcing

An interesting innovation that is emerging in Sri Lanka is 'remote rural sourcing' in third-tier urban locations and rural villages where work patterns and expectations are different to those in the tier-one cities. More routine tasks such as processing invoices can be undertaken in rural communities and can be a win-win situation for both parties and consequently attrition rates can be lower. In order for these rural centres to operate it is necessary to install more reliable communication methods and in some cases this means bringing internet to villages with little or no technological foundation. The OFBSC sector has increased the pace of technological advancement in the capital and it is now introducing it to more remote locations. An academic working paper by Bartel, Lach and Sicherman (2005) found that increased technological change and development in the IT sector increased the level of outsourcing occurring. In other words outsourcers became specialist providers of IT services that organisations did not have the resources to focus on. Perhaps something similar is happening in Sri Lanka; it seems that the increasing pace of the developments in Sri Lankan BPOs and OFBSCs are driving innovative strategies such as rural sourcing, in turn creating opportunities for organisations and communities alike.

Not only does such work bring direct economic benefits but the provision of work could play a part in bringing the knowledge-based economy to remote villages.

2.0 Performance managing talent

2.1 Performance management for offshore service centres

Ian Herbert

Loughborough University

Traditional frameworks for motivating and controlling performance tend to be based on setting and communicating goals through a top-down process commencing at the corporate level. These goals then cascade downwards through aligning frameworks such as the Balanced Scorecard model. The assumption being that the route to organisational performance lies in appropriate performance measures, and that management is not possible without measurement. The picture emerging from the Loughborough fieldwork is one in which performance management is enacted through a combination of 'managing by the numbers' and 'managing through people'. Managing by the numbers must consider the importance of a requisite variety of performance measures and benchmarking, alongside the role of quantification in the development of systems of performance management.

Managing through people entails leadership, communication and empowerment. BSCs employ a range of mechanisms such as visual display boards, team huddles and peer-group forums as part of an overall Performance Management Mix see figure 3.

In many industries, the initial driving force behind the creation of BSCs is one of efficiency and cost reduction or, at least the constraint of costs within contractual limits via service level agreements. However, despite significant routinisation the

measurement of service roles is not always straightforward because space needs to be created to challenge the way that things are done and work out new working methods and systems. Although one of the key tenets of aggregating business support activities is to standardise processes wherever possible, invariably customer needs are varied and changing. Thus, BSCs need to be flexible in their approach and must adapt to changing business needs. The SSC model in particular attempts to address these issues by imposing the discipline of external markets on the service functions. But, this becomes a more complex task as the BSC's processes move up the added-value chain from transactional services to include management information analysis and reporting functions. Academic literature is now citing the outsourced BSC as a strategic technique for competitive advantage rather than solely cost reduction; subsequent growth in BSCs could be attributed to this (for more detail see Sako, 2006).

Cost reduction through task standardisation leads to new challenges for management. Many of the roles in BSCs involve repetitive activities; advances in Enterprise Resource Planning (ERP) systems have resulted in the deskilling and specialisation of clerical jobs that were previously more varied. The thrust of BSCs is often to commoditise individual tasks by re-engineering, routinising, and thus in the process, deskilling them. This enables diagnostic control based on automated work-flow monitoring systems and hence, relatively flat structures. As a counterbalance increased efficiency needs new ways of motivating employees so as to maintain operational consistency and productivity, whilst at the same time reduce the labour turnover rate.

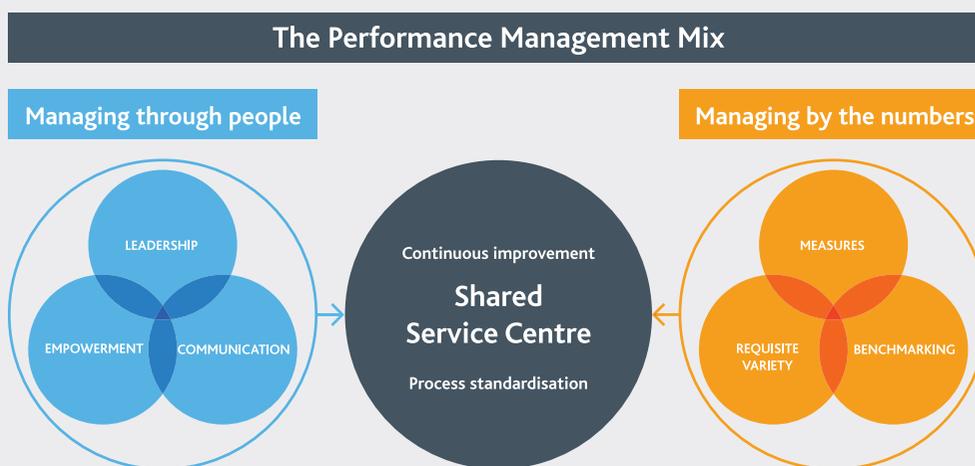


Figure 3: The Performance Management Mix - Fitzgerald et al.2012

2.2. Performance management in Sri Lankan shared services – a case study

Dr Arul Sivagananathan

Managing Director, Hayleys BPO & Shared Services

Dr Arul Sivagananathan offered his perspective and his organisation's methods concerning performance management. He began by outlining the complex and intricate formation of Hayleys Conglomerate; the organisation has around 200 companies that beneath it which are all different, from different industries and formed for different purposes. Further to this, Hayleys has grown through independent organic growth as well as acquisitions which means aligning ERP platforms and different cultures of work to fit within the Hayleys' business model: the following section is Dr Sivagananathan's own account of this journey. "Our challenge is to create a shared service centre that can serve the variety of customers in diverse industries. Ultimately, this means that it is impossible to measure two activities with the same performance measure. Thus we had to come up with a different strategy for performance measurement as traditional schemes such as the balanced scorecard and KPIs cannot always be cascaded down sufficiently to be useful. Instead, we developed the 'COIN' framework; Concentrate, Overkill, Improve and Nurture as displayed in figure 4.

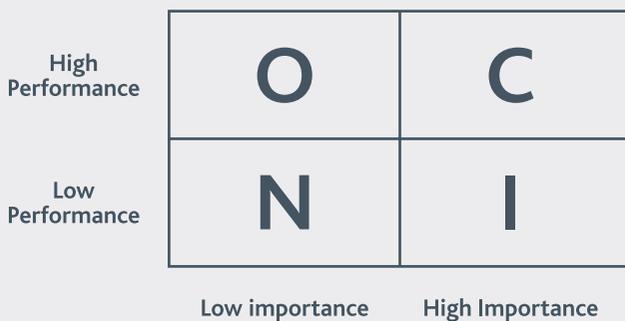


Figure 4: Hayleys' COIN framework

This framework is used for the measurement and categorisation of both the people and the processes in the business. Concentrate is where people or processes are high performing and of high importance. Overkill is where there is high performance with low importance. For instance, it might be possible to implement some cost savings to match the performance and importance levels. Where performance is low but importance is high, we look to Improve; this means put all efforts into these challenges that require a little more work. Finally, Nurture signifies low importance and low performance. Although, this sounds odd in an age where everything seems to be 'world class' perhaps the performance is fine given the cost versus benefits and it is something that organisations must live with to a certain extent. Hayleys will bring people in, train

them up, they will naturally make errors and then these will be resolved. In terms of staffing each of the four categories require different skill sets.

Within Hayleys BPO & Shared Service Sector, the quadrant system is well understood in comparison to more corporate wide management systems. So far, the system is working well, and is driving the right behaviours in terms of managing the customer rather than focusing solely on the process in the way that production people can become to inwardly 'production oriented' and remote from customer needs.

During recruitment the quadrant is used to identify an individual's 'fit' within Hayleys BPO & Shared Service Sector and also determines their salary. Furthermore, upon employment, individuals begin to understand which quadrant they fit into, upon realising this it is a quick confirmation of their place in the organisation, or it can be a signal that perhaps employment at Hayleys isn't suited to them. The shared service centre wants to win business and do well but they do not necessarily need to make money, breaking even or zero profit is acceptable. This focuses attention on employment, especially the cost of staff. The business unit as the customer is at the centre of the operation, so much so that costs of running the SSC are not passed back down to the customer.

"As far as we are concerned, if the customer is happy and I don't hear about it, done. So again, is this a traditional balanced scorecard? No, it's not. Instead costs are managed, and right people are employed with a cost recovery model."

Change management is a huge part of the challenge of working within a SSC. It is key to understanding how you get people going, how you get them in the same line and how you get the fit with the Hayley's culture; this ultimately underpins performance measurement within the organisation. When somebody is employed by Hayleys they often consider it 'employment for life' hence the low attrition rates of the organisation. Lastly Hayleys will always employ from within their organisations if possible; they will understand, from the quadrant, where each person can add value. They use the 10i model to monitor and control progress:

- Innovate - new
- Improve - existing
- Indicate - dashboard/MI
- Increase - productivity
- Influence - team
- Involve - execution
- Image - brand
- Impact - value addition
- Ineffective - remove
- Issues - lessons

Quadrant	COIN	Process	People
High Importance and High Performance	Concentrate	Must keep it up	Star performers who can take up challenges
Low Importance and High Performance	Overkill	Must rationalize resource allocation	As they are currently underutilized, move them to quadrant 'I' to drive improvement projects. Prepare them as successors for quadrant 'C'
High Importance and Low Performance	Improve	Must allocate more resources focusing on improvement	Must focus on training, improving and streamlining
Low Importance and Low Performance	Nuture	Simplify and automate as much as possible	Keep them there and support them with automating and mistake proofing

Table 1: Hayleys' COIN framework and Performance Management

3.0 Summary and conclusions

3.1 Joined up thinking: Performance management and talent management

Ian Herbert, Andrew Rothwell

Loughborough University

New developments in technology have reshaped the global business landscape and paved the way for a new breed of business, whose boundaries are not delimited by geographical or national borders. The OFBSC model's popularity is owed to its potential to reduce costs and improve the quality of service, providing for adaptation in a business environment where flexibility is a must.

The globalisation of business, underpinned by ever increasing data connectivity, is enabling more professional and support service work to be done at a distance from front-line operations in remote centres. Whilst transformational change and relocation can be facilitated in a number of ways, either in-house or via third party contractors, the business service centre (BSC) model combines the advantages of a market-style, entrepreneurial and customer-centred outlook with the benefits of in-house management direction. The combination of market and management control, coupled with developments in Enterprise Resource Planning (ERP) systems, begins to explain the increasing popularity of captive BSCs. This popularity is reinforced by the promise that the BSC will lead to both reduced costs, improved support service quality whilst also allowing continuous adaptation to changing business needs.

Our research, informed by opinion leaders in the Sri Lankan Business Service Centre community, has demonstrated that there are a complex range of issues which impact on a country's attractiveness as a destination for foreign investment, service centre location and workforce development. Ultimately the short term appeals of wage arbitrage, technological advantage and linguistic capability will not be enough to sustain business success in a long game. For organisations to assume that simply offering a 'passport stamp' on a resumé, together with slightly above average pay in return for the ability to cope with flexible working arrangements and the challenge of relentless transactional work is not sustainable. An ambitious, energetic, technically competent and business-savvy workforce with youth on their side demand rather more. Hence our focus on Talent Management and Performance Management as strategic approaches, with a third key element of sustainability driven by continuing professional development (CPD).

It is evident that OFBSCs in Sri Lanka are fighting back against the 'data monkey' misconception and are beginning

to 'rebrand' shared services as a respectable and professional work place within Sri Lanka's economy. This means nurturing and developing a talent pool with a balanced skill set and recognising those with the capability to lead the OFBSC. The interviewees discussed how they each have opportunities for junior staff that have the motivation and ability to progress. Opportunities are not necessarily based in the OFBSC and committing to a period of time working in services could provide a stepping stone to more varied and complex work. The general view, from the interviews, is that OFBSCs in Sri Lanka are not only growing but refining themselves as organisations that can provide real value back to the mother organisation with the right people. The challenge is in articulating and implementing an employee value proposition that ticks the box for the Generation Y workforce. This includes valuing their input and giving them a voice. In the race to fulfil its potential as an OFBSC destination, Sri Lanka faces a number of challenges, but is in a unique position to exploit a niche within the industry. The main factors are identified below.

3.2 Innovation and contextual factors

The main drivers for Business Service Centre development lie in this category but it also includes potential vulnerabilities which can undermine industry sustainability. Wage arbitrage, technical capability and linguistic competence are assets that Sri Lanka has in abundance but are not the key to sustainability: such assets can be bought, transferred, learned or otherwise acquired. Innovation in products and processes is required to cater to a demanding clientele and will provide competitive edge in an industry increasingly undermined by the pigeon-holing of processes which limits the big-picture view that encourages creativity and innovation. Innovation is also a defining factor for leaders of BSCs in Sri Lanka; the interview and forum have highlighted that leadership in innovation is driving continuous improvement within the sector. Armed with technological capabilities such as ERP systems, BSCs in Sri Lanka now have the scope to innovate within processes in addition to technical leadership, and move up the value chain.

3.3 Human factors

It is in this category where the solutions to the sustainability concerns must be applied. The growing Gen Y presence in the workforce necessitates talent management strategies that recognise their desire for a rewarding global career with opportunities for progression and fulfilment. This coincides with opportunities available at OFBSCs and highlighting this would mitigate negative perceptions of the industry as driven by transactional work. Empowerment at the team level is a key employee engagement strategy. Additionally, the provision of prospects for secondment and continuous learning and

development could alleviate concerns about 'brain drain' which have sometimes been expressed in relation to Sri Lanka. A key concern has been how individuals in transactional roles can progress through narrow promotion opportunities (due to wide spans of control) to the highly sought after Business Partner positions at the higher levels of the organisation. This echoes our earlier research with a global network of respondents (Rothwell, Herbert and Seal 2011). Even so, such progression opportunities must be identified and supported. They are a key part of the employee value proposition for the 'generation Y' workforce. This must be complemented by access to learning and development opportunities that are comparable to those in the foreign 'parent' company – an approach that looks toward the global harmonisation of professional development

3.4 Sustainability factors

Whilst the capacity challenges of the Sri Lankan labour market can cause some difficulty in undertaking large-scale projects effectively, there is an opportunity in managing and targeting a specialised segment of the industry. The present talent pool in Sri Lanka surrounding technical specialism and language

business environment changes, the more rapidly technology advances, and the more quickly business systems and processes such as ERP evolve, the greater the capacity for leveraging strategic advantage for those countries, organisations and individuals who can demonstrate the ability to stay ahead of the game. Conversely, countries, organisations and individuals who fail to even keep up will find themselves being left further and further behind. Taken to its' most extreme, this has the potential to create a knowledge gap that has a cumulative and self-perpetuating effect. Thus our overriding conclusions that the keys to sustainability are:

The identification of learning and development needs for sustainability in a professional workforce;

Professional development schemes and structures that are geared to the future such as new ways of working, integrated business processes and moving up the value chain;

Organisational strategies that commit to supporting staff through professional accreditation, offering global harmonization of professional development and progression. In summary, this report has highlighted that Sri Lanka is keen



Figure 5: A Sustainability model for OBSCs in Sri Lanka

skills has much to offer an organisation. Further to this many Sri Lankan BSCs are incubating talent to sustain this advantage and keep talent attracted to working in the country. Apart from individual skill sets, innovative strategies such as rural sourcing also allow maximum utilisation of the workforce outside the capital, lowering cost and reducing attrition due to the mutual benefits of the partnership. Infrastructure development should continue in order to maintain Sri Lanka's position in a competitive marketplace, and policies tailored to encourage investment. A key strategy is for the BSC to move up the value chain to engage with a greater depth of analytical work.

Ultimately we suggest that it is the capacity for learning, especially Continuing Professional Development (CPD) that will be a key determinant of industry sustainability. The more the

to continue incubating talent for a sustainable market in BSCs. Sri Lanka has the technological capabilities and language skills to succeed in a global market and the young and qualified work force in the country are being nurtured by leaders through global opportunities and tailored mentoring schemes. There is a strong culture of innovation and a drive towards distinguishing the Sri Lankan BSC as a customer focused operation which builds on the liberal technical skills sets that are already present in the country. The current situation in Sri Lanka for OFBSCs is good and reflects an environment that is striving towards and making plans for a distinguished, sustainable and global BSC market.

It is generally understood that Business Process Management (BPM) based upon new organisational models, such as shared services and third party outsourcing present an opportunity to deliver significant cost savings. There are however a number of issues, some of which are specific to the Sri Lankan context. Some of these are leverage opportunities, while others are important issues to be addressed. For example, recruitment and retention issues are presently being managed in a variety of innovative ways. There is a need for a range of skills to allow both individual centres and the sector as a whole to grow, many of which relate to the human factor. Talent management emerged as a key issue in our forum and from our field research, and is an important way in which recruitment and retention issues can be addressed, including articulating career paths, leadership development and routes to professional development. Positively, language competence is a major strength of the Business Service Centre industry in Sri Lanka as there is a large talent pool to draw on. However this also poses a risk factor due to these individuals being potentially globally mobile, especially to destinations such as Australia, New Zealand and Singapore. Performance Management needs to move beyond 'managing by the numbers', to embrace strategies based on communication and empowerment. This will complement approaches to talent management and retention.

Sri Lanka is also a destination for innovation in business support services. New business practices are emerging to create both increased flexibility and sustainability of offshore centres. In Sri Lanka, remote rural sourcing, enabled by digital rather than hard infrastructure, is helping to rehabilitate war-torn and tsunami hit rural communities whilst increasing the overall skills pool labour flexibility for service centres.

For the future, moving up the value chain is a common aspiration but there has to be both labour capacity and on-going skill development to underpin this. A professionally qualified workforce needs to be built from a solid membership base otherwise there are neither mentors nor role models to nurture the next generation. Co-ordination is required across the sector to make the best of the present opportunities and to react to competition from other offshore locations. Professional bodies such as CIMA and SLASSCOM have important roles to play in the sharing of best practice between organisations through peer-to-peer networking forums, and by co-ordinating education providers and government agencies. Professional qualifications are required specifically for BPM workers. This is an exciting time, with tremendous opportunity for individuals and organisations in the Business Service Centre Industry in Sri Lanka, but also a time to consider consolidation and sustainability strategies for the future. We hope this executive summary has made a positive contribution. We welcome enquiries from organisations interested in working with us to take the development and sustainability agendas forward.

Appendix 1 – The case study sites

- Hayleys Business Solutions International Pvt. Ltd
- Vishwa BPO Pvt. Ltd, Hemas Holdings PLC
- WNS Global Services Pvt. Ltd
- Amba Research Lanka Pvt. Ltd
- Infomate Pvt. Ltd, John Keells Holdings PLC
- HSBC Electronic Data Processing (Lanka) Pvt. Ltd

Appendix 2

Overview of Sri Lanka as an offshore service destination

Imran Furkan

Executive Director SLASSCOM

Sri Lanka's total exports are less than USD 10 Bn of which IT/

BPO/KPO export revenue accounts for approximately USD 600 Mn which puts it among the five largest export revenue earners. The vision of SLASSCOM which is also in line with the vision laid out by H.E Mahinda Rajapaksa in his 2013 and 2014 budget speeches to parliament is for the IT/BPO/KPO industry to achieve US\$1 billion in export revenue and create 80,000 jobs by 2016. Sri Lanka was rated 12th in the top ranking destinations in IBM Global Location Trends Report (2012).

IT/BPO Export Revenue in mill USD

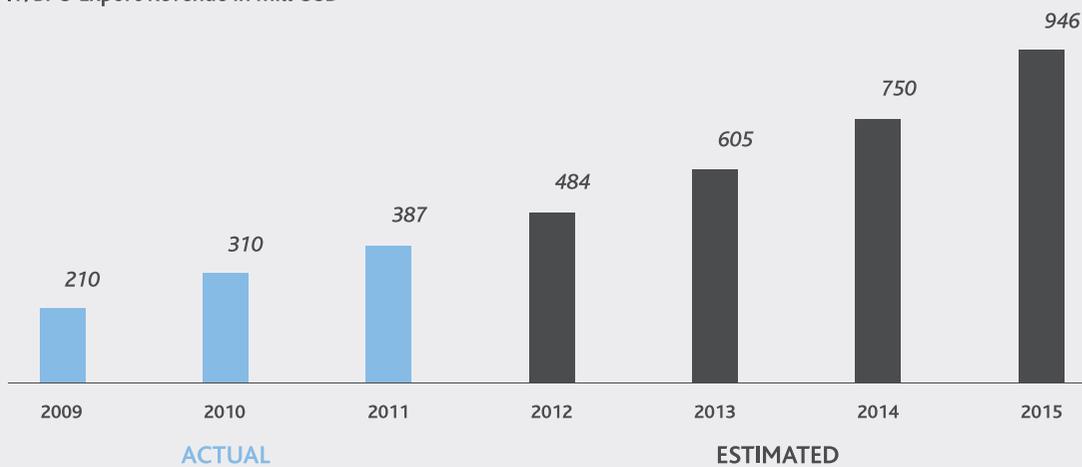


Figure 6: Sri Lanka as an emerging Global IT/ BPO Sourcing Destination (Source-A.T Kearney)

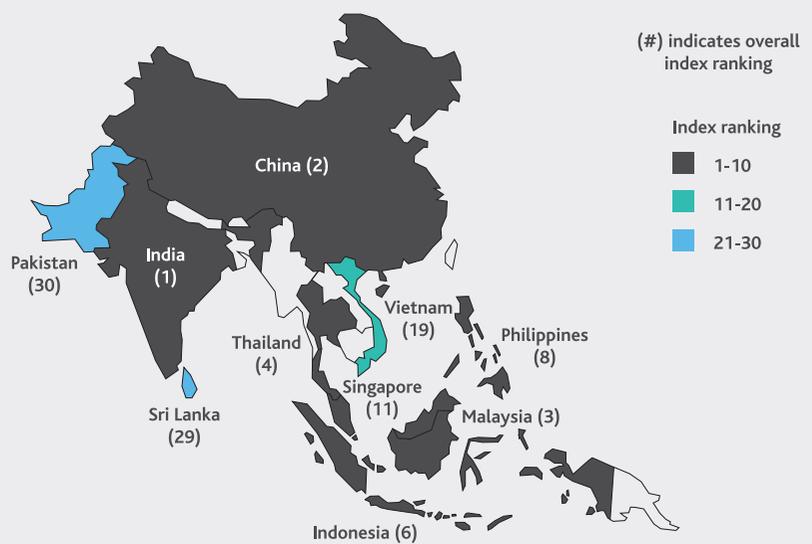


Figure 7: SL in the Global IT Market

According to IBM Global Location Trends Report (2010) Sri Lanka's geographical location, infrastructural facilities, direct access to the Indian market, high quality standards of the workforce, open economy and various free trade agreements make it an attractive outsourcing destination and notably for Financial Accounting Outsourcing (Global Services Destinations Compendium, 2010).

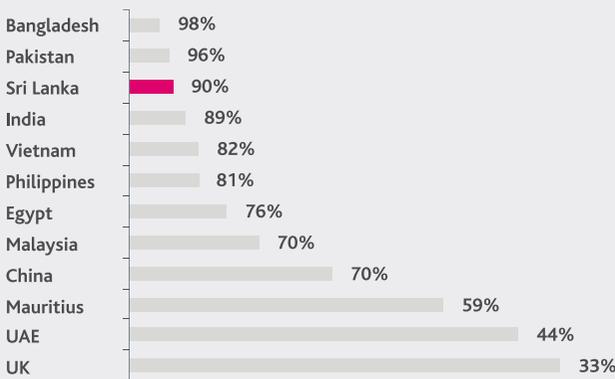
Indeed, a significant knowledge services industry has been developing in Sri Lanka, although this has tended to have been unnoticed by many global observers. To give a sense

costs for sample IT positions are 10% lower than India and 20% lower for BPO functions, and with lower attrition rates than typical in the offshore service sector. See Figure 7.

Infrastructure

Whilst significant, labour costs are only a part of the overall rationale for offshoring. The cost of office accommodation and associated utilities, together with local tax rates, inward investment assistance, internet band-width, good air routes, etc., all needing to be considered. A key factor is often

Annual IT Programmer compensation cost, US\$



Annual IT BPO Analyst compensation cost, US\$

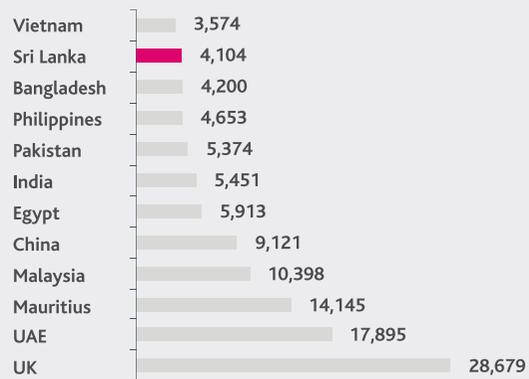


Figure 7: SL in the Global IT Market

of scale, over 300 IT, BPO and KPO companies employ more than 67,000 Sri Lankan workers, generating more than \$600 million in exports in 2012. The service sector offers a range of transaction processing together with more sophisticated accounting services and financial analytics to their customers, as well as offshore legal services, medical diagnostics, and architectural drawings. Yet, continues to offer remarkably low costs whilst delivering high value. For example, compensation

accommodation flexibility, both in terms of space that is already built and new developments that might be necessary to cope with expansion or different ways of working. In the main office space is available and relatively affordable, and new developments are underway in Colombo, the main location, but overseas destinations also need to offer a graduated approach so that work can be cascaded to second and third tier cities as appropriate. Figure below shows the average rental in US\$ per

Office rent, class A off space in major business hub, US\$/m²

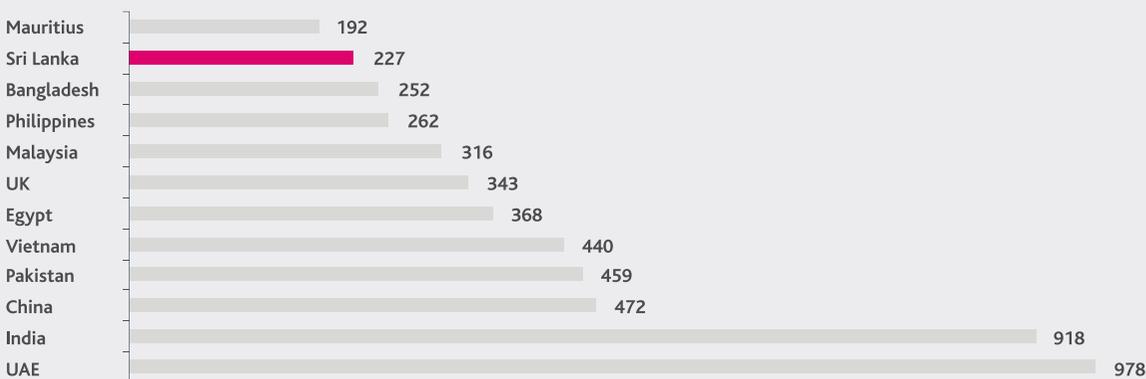


Figure 9: Source-A.T Kearney

square metre for grade A accommodation in the major offshore locations, which puts it among the five largest export revenue earners. The vision of SLASSCOM which is also in line with the vision laid out by H.E Mahinda Rajapaksa in his 2013 Budget Speech to Parliament is for the IT/BPO/KPO Industry to achieve US\$1 Billion in Export Revenue and create 80,000 Jobs by 2016. Sri Lanka was rated 12th in the top ranking destinations in IBM Global Location Trends Report (2012).

People skills and availability

Literacy and enrolment rates to college level education are on a par with developed countries and there is an extensive university system, with 23 accredited universities. English is the business language in Sri Lanka with some of the highest literacy rates in South Asia.

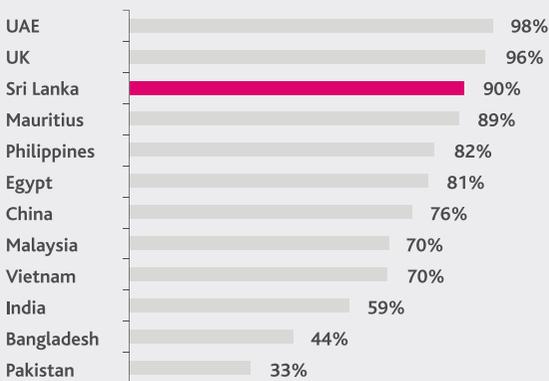
Sri Lanka has cultivated distinctive capabilities in particular technical and professional services. To compete with large countries, Sri Lanka needs to focus on growing competitive talent in specific areas. Already Sri Lanka offers a high level

of people with UK-recognized accounting qualifications than any country outside the UK. Given a similar emphasis on other professional qualifications (in medicine, law, engineering, architecture, etc.), the country has the potential to develop distinctive remote services offerings in these areas also. The IT industry has also developed distinctive capabilities in a number of niches such as open source, cloud apps and mobile technologies.

Business environment

Sri Lanka also offers greater infrastructure in comparison to most other low-cost countries. Overall infrastructure quality, including transportation and utilities is something that Sri Lanka is able to offer at a very high standard in comparison with competitors. The strong infrastructure in Sri Lanka is also a source of differentiation from a number of other Southeast Asian competitors. Further to this, Colombo's Bandaranaike International Airport has more flights to India than any other city making it an easily accessible location.

Secondary Enrollment Rate, %



Adult Literacy Rate, %

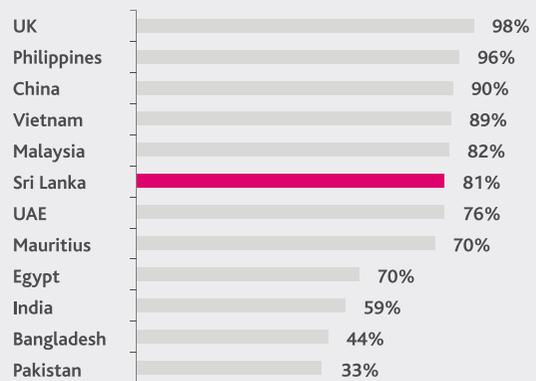


Figure 10: Source-A.T Kearney

Top Ten CIMA Student Populations

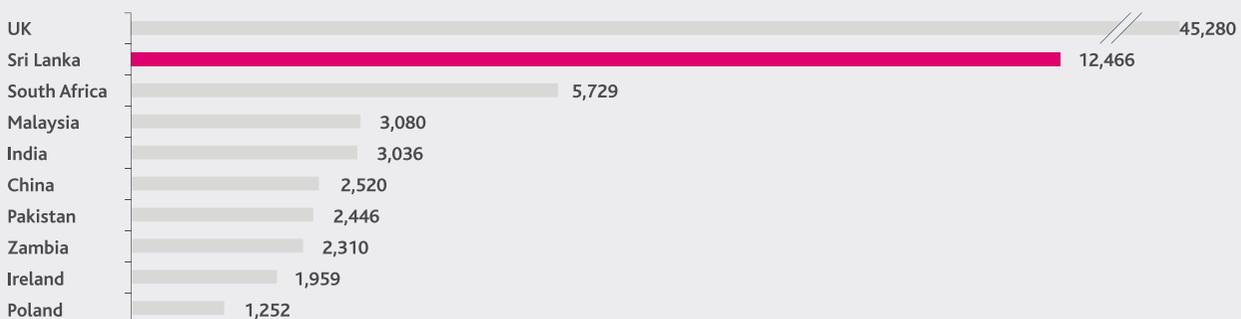


Figure 11: Source-A.T Kearney/CIMA

Appendix 3

Case study

Arul Sivaganathan FCMA, CGMA

Arul is a pioneer in setting up end-to-end finance and accounting outsourcing in Sri Lanka, Arul Sivaganathan has set up several shared services for multinationals in Sri Lanka and India. He is currently the managing director of Hayleys Business Solutions International (HBSI) and member of the Hayleys General Management Council. He is also a director of CIMA Sri Lanka board as well a director of SLASSCOM (Sri Lanka Association of Software and Services Companies).

Arul was the first Sri Lankan to be elected to the advisory panel of CIMA's Excellence in Leadership magazine. He is a qualified Management Accountant (FCMA, CGMA) and a civil engineer from University of London with an MBA from Cranfield University (UK) and holds a Ph.D. from the USA.

'Back of an envelope'

Though a civil engineer by profession, Arul Sivaganathan initially wanted to become a pilot and take to the skies. An eye problem diagnosed at age 16 meant that Arul would be unable to pursue this career. Despite this, Arul proceeded to plan his life so that it would still take him places. He planned his life on the back of an envelope, detailing what he aimed to achieve every ten years, and first made his mark as an engineer on the World Trade Centre project in Colombo.

A different field of maths

He was introduced to the corporate world by his father, his role model. As a mathematician who could solve complex maths equations in the engineering domain, Arul was curious how this would apply in his father's arena as in the world of business management $1+1=3$. The idea of synergistic benefits from combining people and tasks encouraged him to learn more about the business world and he registered as a CIMA student. The idea of synergistic benefits from combining people and tasks encouraged him to learn more about the business world and he registered as a CIMA student.

On completion of CIMA, he swiftly undertook an MBA in the UK as a springboard to the world of investment banking in London. True to his plan, investment banking continued to take him to places around the world.

On returning to Sri Lanka, he soon realized that the country's relatively nascent investment banking sector did not provide the challenges that he'd become used to in London. The sector did hold promise for the future was business process outsourcing

(BPO) although at the time in 2003 it was an unknown industry in Sri Lanka.

The non-traditional path

Arul's advice to those who are undecided on what career to pursue is to 'not be afraid to walk the uncharted path.' Arul was able to blend skills and techniques from both engineering and management accounting to succeed in his endeavours. He believes education will never go to waste.

Comparing the education received from both UK and Sri Lanka, he says the UK system of learning motivates students to think on their own. Arul is of the view that Sri Lanka should soon move away from the traditional 'memorising based rote learning system'.

Stick to a plan

A pioneer and leader in the industry, Arul remarks that the most important trait a leader must have is the ability to stick to their own principles and implement their own plan.

Time management, discipline and value are three important competences that Arul believes one must possess in order to get ahead in the corporate world. One should always bear in mind that society will not grant you confidence on a silver platter.

Sri Lanka and it's financial epicentre

Arul is keen to emphasise that outside of technical specialities in Sri Lanka, such as finance and banking, that Sri Lanka is now developing its presence within the service sector. However, in Arul's opinion, the country must continue to nurture the 'customer as king' concept. 'Above and beyond the call of duty and expectation (ABCDE)' is a philosophy that Arul expects his own employees to be familiar with, and in the office everyone knows that he 'walks the talk' and leads by example.

Leadership

Arul's advice to budding future leaders is that one must think outside of the box. Practical and successful ideas are usually at your fingertips. He often quotes British inventor, Trevor Baylis:

"The key to success is to risk thinking unconventional thoughts. Convention is the enemy of progress. If you go down just one corridor of thought you never get to see what's in the rooms leading off of it."

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The CIMA-Loughborough forum meets five times a year in the UK and overseas. It provides opportunities for the sharing of experiences and best practice amongst representatives from a range of SSC and BPO organisations. Further details see project website at www.shared-services-research.com

CIMA in Sri Lanka

CIMA in Sri Lanka can be traced back to the establishment of the Ceylon Association of the Institute of Cost and Works Accountants UK, in 1965. Subsequently, in 1973, it was made a Branch of the UK body and in 1988 was elevated to the status of a Division along with Ireland and South Africa, and later Malaysia and Hong Kong.

In recent years, the profession of management accounting has grown exponentially. CIMA Sri Lanka has over 2,000 members and 15,000 students. The membership is widely represented in senior management positions in finance, industry and commerce. It is regarded by the government and the business community as a premier professional body whose members add value to the organisation in which they serve.

SLASSCOM

SLASSCOM is the IT/and Knowledge Services industry body in Sri Lanka with a membership of nearly 160 companies representing 90% of IT and Knowledge Services export revenue in the country.

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The shared service centre (SSC) project is the pre-eminent academic enquiry into the transformation of the finance function through the externalisation of services in shared service centres. The project is a part of the Centre for Global Sourcing and Services in the School of Business and Economics at Loughborough University. Supported by General Charitable Trust of CIMA the project's aims are; to undertake high quality research into the transformation of finance through new ways of working; to provide thought leadership to practice and the academy, and to organise practitioner for a and other events to identify new developments and disseminate the project's findings.

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