



SPECIAL REPORT
CORPORATE SOCIAL RESPONSIBILITY

Scaling up impact sourcing

Intelligent Sourcing's experts look at various initiatives to make companies more responsible as corporate citizens and the effect this can have in a business as well as moral sense. We begin with the emergence of a new standard from GISC



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For many people, their first job is a life milestone. It's an entry point into the world of work: an opportunity to develop new skills, to meet mentors and to launch a meaningful career. For people from disadvantaged and vulnerable communities, their first job is a lifeline. It is the first step onto the economic ladder offering the potential to bring themselves, and eventually their families and entire communities, out of poverty and into economic self-sufficiency.

Members of the Global Impact Sourcing Coalition (GISC) believe that all people should have the opportunity to obtain productive employment and decent work, and have come together to make sure that more people have an opportunity to secure their first formal job.

The GISC is proud to announce the launch of the Global Impact Sourcing Standard, and with it a challenge to corporate members and other organizations to hire 100,000 impact workers by the end of 2020, to truly demonstrate the power of procurement on reducing social inequalities.

Impact sourcing is an opportunity for business suppliers to distinguish themselves from the competition as socially responsible and inclusive employers. Through the launch of the standard and the challenge, the GISC hopes that more clients will seek out suppliers that share their values and are committed to making real, measurable impacts in their communities.

What is impact sourcing?

Impact sourcing is a business practice whereby a company prioritizes suppliers that intentionally hire and provide career development opportunities to people who otherwise have limited prospects for formal employment: people who are long-term unemployed or living below the national poverty line.

For suppliers, impact sourcing has been shown to provide many business benefits, including opening up access to new sources of talent, higher levels of employee engagement and lower attrition



rates, while offering employees their first step onto a career ladder that leads to economic self-sufficiency through income growth, skills development and professional advancement.

GISC member suppliers distinguish themselves through their unique impact hiring programmes, which focus on supporting populations such as youth, veterans, disabled people and formerly incarcerated people. They run impact sourcing programmes in every country in which they operate, including in medium to low-income economies such as Kenya, India, Jamaica and Colombia, as well as in vulnerable communities in high-income countries, such as in the rust belt of the US.

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The impact sourcing standard

Seeking out other companies committed to impact sourcing provides both vendor and business development opportunities. However, when buyer and supplier companies discuss social impacts, there is a risk that they do not agree on the specific requirements of what is involved. How can clients be sure that suppliers are delivering on inclusive employment initiatives that lead to real social impact?

The GISC has developed the world's first impact sourcing standard, a global supply chain standard designed to set out uniform criteria for impact sourcing service providers. The standard defines the minimum requirements and voluntary best practices for providers of business products and services to

demonstrate their commitment to inclusive employment to clients and other stakeholders.

Specifically, the objectives of the impact sourcing standard are to:

- Establish impact sourcing as a trusted business practice that improves the lives of people who otherwise have limited prospects for formal employment;
- Enable product and service providers to communicate consistently about their impact sourcing service capabilities and performance to their clients and other stakeholders;
- Enable client organizations to evaluate their product and service providers based on their impact sourcing service capabilities and performance;
- Facilitate the adoption of impact sourcing across companies operating

in a wide range of geographies and industries;

- Improve access to formal employment and decent work for disadvantaged people, allowing them to improve their conditions, acquire a career and support their families and communities.

How do companies conform to the standard?

In order to conform to the impact sourcing standard, businesses need to meet a set of minimum requirements across five sections, covering the entire employee life cycle.

I. Commitment to impact sourcing

Companies must make a commitment to employ, and offer equal opportu- ▶



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► nities in all employment practices to, people who were previously long-term unemployed or living below the national poverty line. This commitment must be supported by a public statement and a top management team sponsor.

2. Recruitment and hiring

The organization must periodically review recruiting and hiring processes and policies to ensure that they do not intentionally or inadvertently prevent job applicants from disadvantaged groups. This requirement must be supported by training for hiring managers, written non-discrimination policies and the offer of workplace adjustments.

3. Remuneration and benefits

The organization must pay impact workers at least the minimum total compensation required by local law, including all mandated wages, allowances and benefits. Impact workers must

be compensated equally and enjoy the same benefits as employees with the same levels of work experience and work assignments.

4. Training and career development

The company must provide onboarding, training and professional development opportunities to impact workers. The criteria for performance and promotion should be made known to all employees and appraisals of impact workers should be based on job performance.

5. Management systems

Systems must be established to ensure that businesses measure and evaluate the success of impact workers compared with their peers, maintain records of conformance with the standard and continually improve.

The impact sourcing standard has been formally adopted by the GISC ►

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► membership through a unanimous member vote. The standard was developed by a working group of GISC members consisting of buyers and providers of business services, and feedback was integrated prior to adoption from key rights-holder groups, inclusive hiring experts and other industry stakeholders.

The impact sourcing challenge

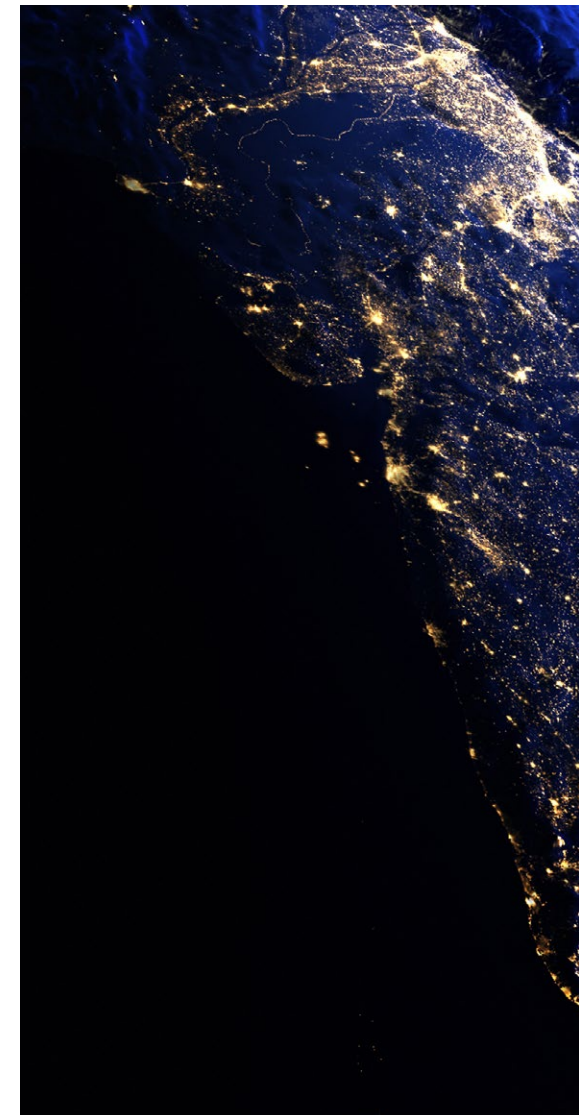
The challenge to the BPO industry is to hire 100,000 new impact workers by the end of 2020. Impact workers are people hired by an organization who were previously long-term unemployed or living below the national poverty line. The challenge is aimed at responsible businesses seeking to positively transform employees' lives through their procurement and hiring practices, and is the first of its kind to specifically focus on escalating impact sourcing as a way to increase employment and career development opportunities for disadvantaged workers.

The challenge marks GISC's public commitment to helping deliver Sustainable Development Goals 8 and 10. By taking part in the challenge, companies will be able to make a direct contribution to SDG 8, to "promote inclusive and sustainable economic growth, employment and decent work for all," as well as SDG 10, to "reduce inequality within and among countries". The challenge is seen as the largest official commitment to SDG 8 made since the launch of the global goals.

Taking the challenge

The impact sourcing challenge is set to scale up impact sourcing substantially over the next couple of years across the BPO industry in all geographies. Both supplier and buyer organizations can take the impact sourcing challenge. Suppliers can pledge to hire new impact workers directly or through their business partners. Buyers can commit to engage suppliers that will hire new impact workers specifically for their account.

A simple pledge allows companies to tell the GISC how many impact workers



they will hire by the end of 2020 and how they intend to meet their goal. Their progress will be monitored by the GISC. As a member they will receive GISC's full support towards reaching their goal.

Several of GISC's members have already made a pledge. RuralShores was incorporated in India nine years ago with the express vision of transforming rural Indian youth into confident and caring knowledge professionals through impact sourcing. PeopleShores aims to transform disconnected young adults in US communities into knowledge professionals. Founder and CEO Murali Vullaganti says: "As part of our continued commitment to improving lives through



impact sourcing, we are pleased to respond to the impact sourcing challenge and pledge to hire 3,000 new impact workers across different states of India in our RuralShores business and 1,000 new impact workers across different US states for our PeopleShores business by the end of 2020."

Another GISC member, Digital Divide Data, a BPO provider with an innovative social model, enables talent from underserved populations to access professional opportunities and earn lasting higher income. Digital Divide Data won the Impact Sourcing Pioneer Award at the IOAP inaugural Global Impact Sourcing Awards in February. Co-founder and CEO Jeremy Hockenstein says: "Digital

Divide Data has been a pioneer in impact sourcing and believes in its potential to change lives. We commit to the impact sourcing challenge and pledge to hire 500 new impact workers by the end of 2020."

To take part in the challenge, companies must join the GISC as a full member. To ensure a consistent approach to impact sourcing, they must also be taking steps towards adopting the impact sourcing standard. Interested companies are invited to join a free webinar on 20 March 2018 to find out more about the impact sourcing standard and impact sourcing challenge.

Register for the webinar at gisc.bsr.org/updates or contact gisc@bsr.org.

"We pledge to hire 3,000 new impact workers across different states of India."