



Making an impact on  
unemployment & economic  
**GROWTH**





# Making an impact on unemployment & economic growth

## Sigma Connected, Business Process Outsourcing specialists, explain how they are working toward reducing unemployment and growing South Africa's economy through Impact Sourcing.

Unemployment has destabilised the future of a whole generation of young South Africans and the road ahead is seemingly getting darker with the pandemic.

With an already ailing South African economy prior to COVID-19, the pandemic further exposed other long-standing socio-economic weaknesses within the country.

According to Statistics South Africa, the unemployment rate stood at 34.4% in the second quarter of 2021 and is the highest tracked by Bloomberg for 2021. The youth unemployment rate stands at a catastrophic 74%.

While there are unfulfilled vacancies and internship programs available, youngsters from underprivileged backgrounds have added socio-economic barriers that prevent them from entering the job market thus limiting their opportunities. These range from a lack of internet access to not having transport money or the appropriate clothing to wear to job interviews.

Many young South Africans have not received adequate education due to a variety of different socio-economic factors. The higher education system creates more barriers to entry with no funding available to those willing and capable of pursuing learning or training after high school.

"At Sigma Connected we are committed to making a change in South Africa by creating employment opportunities as we believe it is one of the ways in which the country can address past inequalities.

We realise that there is an oversupply of underutilised talent in the country, and we have made it one of our main goals to ensure that disadvantaged and underprivileged people have access to formal employment and good work conditions.

With over 60% of our workforce recruited through the process of Impact Sourcing, Sigma Connected has successfully developed a skilled workforce for long-term employment which has helped fully maximise the benefits of the B-BBEE scorecards in terms of skills development while reshaping societal outcomes for the better.

This includes the positive impact on the communities within which these individuals are located,"

David Neale, Managing Director for Sigma Connected South Africa.



## What is Impact Sourcing?

Impact Sourcing (IS) is a business practice where organisations look to disadvantaged communities to identify and develop high potential talent and then place these individuals in jobs that provide them with a sustainable income putting them on the path to social upliftment. Impact Sourcing is often implemented as part of corporate social responsibility initiatives.

Impact Sourcing organisations often target employing underprivileged people with one or more labour market disadvantages such as their level of education, geographic location, social disadvantage (such as gender or religion), or physical disability (see Karnani & McKague, 2019). The nature of BPO work is such that the working conditions, in office settings, are often preferable to alternative employment opportunities such as manual labour.

## Why Impact Sourcing makes sense?

Impact Sourcing is still a niche concept in the broader BPO context and has yet to become a must-have element for most enterprises, especially during the pandemic. None the less it has been gaining traction both locally and nationally in the BPO sector due to the fact that it presents an opportunity for candidates without any formal qualifications or previous work experience to advance through the ranks to a supervisory role in the span of a year. Sigma Connected kickstarted their IS program in August 2020 and the results speak for themselves with some candidates expected to soon take the leap into a supervisory role.

The BPESA South Africa GBS & BPO conference around Impact Sourcing found that Impact Sourcing has spread to more than 20 countries worldwide. The southern hemisphere represents enormous potential as it could provide a steady income to those without formal qualifications and are unemployed. Studies have proven that beyond having a positive impact on the employee, there is a multiplier effect, with these employees contributing to the socio-economic upliftment of their families and communities thereby boosting the economic growth of those countries.

Making Impact Sourcing a key consideration for government and business can provide an ideal way to employ more of South Africa's youth thus enhancing long-term socio-economic development. Several studies have proven that the cost of Impact Sourcing to local business was comparable to, or lower than, traditional methods, with additional benefits including higher levels of employee motivation and engagement, access to new talent, fewer employee disputes, and lower attrition rates (see Babin & Nicholson, 2020).

Sigma Connected is championing Impact Sourcing having invested in and allocated resources to training and upskilling to make sure those from underprivileged areas and backgrounds get the grounding and necessary support mechanisms to cope with their new environment at Sigma offices. "The key for us is demonstrating that impact sourcing is an ideal way for companies to show they care while achieving their socially responsible objectives. Impact Sourcing supports the sector and widens the talent pool of skilled workers in South Africa," says David Neale. David also notes that this is not simply a corporate social investment or Broad-Based Black Economic Empowerment (B-BEE) compliance exercise. Employing through Impact Sourcing is a challenging process and needs patience and will from both employers and employees.



### ▶ How BPO offers a glimmer of hope for South Africa?

The BPO sector, with its constant average global growth rate in developing countries and inherent potential to employ low-income individuals around the world, provides a pragmatic approach for reducing poverty through employment (see Burgess, Ravishankar & Oshri, 2015). Given the potential of Impact Sourcing for reducing poverty, the Rockefeller Foundation has allocated almost \$100 million to understand how more Impact Sourcing jobs can be created in Africa. Major companies including Google, Microsoft, Facebook, and Bloomberg have also made a commitment toward Impact Sourcing, by becoming members of organisations such as the Global Impact Sourcing Coalition.

Sigma Connected has also committed itself to Impact Sourcing and has been working alongside experienced stakeholders to create employment opportunities for those from underprivileged communities by training them and providing them with a conducive environment in which to thrive thereafter in Sigma offices.

### ▶ An Impact Sourcing how-to, the Sigma Connected way

Recalling the challenges experienced at Sigma while onboarding their first two Impact Sourcing groups, Aeysha Coetzee, Head of Recruitment at Sigma SA, explains that a structured and properly planned approach can make all the difference. "Given that most of those we had welcomed on board had never worked in a professional setting before, they had some trouble adjusting to and understanding the etiquette of the workplace. Slowly but surely though, they have gotten better with things like timekeeping and house rules at the office. One must also take note that most of these individuals have never been exposed to a contact centre and so there was a natural adjustment period."

Sigma Connected partners with Shadow Careers whose passion is to support and sustainably uplift youth employment in South Africa. With their expertise and experience in the field, they were able to provide valuable insight.



"We invested in additional support for the teams by ensuring they stayed together during the whole process by providing an additional floor, coaching and support," Aeysha explains. "We were able to prove that with the right support and the correct guidance during their readiness journey with Shadow Careers, they were able to achieve results that sometimes surpassed our experienced employees. We are also incredibly proud that our annualised attrition for Impact Sourcing is marginal as we have retained over 80% of the delegates onboarded 18 months ago."

Aeysha says that the benefits of partnering with Shadow Careers has been an open and engaging partnership where both companies learn from each other. "Due to a shared passion and vision to make a difference, we focused on solutions to best equip the delegates with the toolkit to be successful. We have seen the benefits in attrition, absence, adherence, performance, and overall, an engaged workforce. The Shadow delegates enter our training rooms on Day 1 with such energy and enthusiasm and carry it with them for the 3-week training period and thereafter to the operations environment. They are seen as an inspiration to their peers and their stories are so heart-warming to hear."



Ashton who has been working at Sigma Connected since August 2021, and who was part of the Shadow Careers programme for three months prior to that says that through the Impact Sourcing programme, he has been able to embark on a career path that presents him with numerous different opportunities. "I was looking for something related to customer service but on a different path to the retail industry that I was in at the time. The team leaders are so hands on and make sure you get through the day with all the assistance you need. I'm looking forward to paying forward the support that I received when I make a career out of this," says Ashton.

After matriculating in 2018, Kendra who worked as a massage therapist for two years, needed a way to bring money into her household after Covid-19 hit South Africa and says she found a new path at Sigma. "I found this programme by luck and decided to try it out. The training with Shadow Careers was a really fun experience. Coming to Sigma was enlightening as we went from training to actually being on calls with customers. This programme has given me a lot. I was not confident or skilled in speaking to people before this. This programme benefitted me in ways I did not think possible," Kendra explains.

Both Ashton and Kendra say they see a future with Sigma. "I see so many opportunities for a career here. You just need to have the right mindset. You can grow if you put your mind to it. Sigma offers so many different options for a career in call centres that you can set as a goal," says Ashton.

Kendra says she is proud to be part of something that has a benefit for their communities as well. "Recruitment is for everyone in the community and Sigma has proved this. I have met people from all races, genders, backgrounds and cultures here." Ashton shares Kendra's sentiment: "When it comes to communities,

the programme has a great impact because as someone in the programme, you can reach out to friends and family in your community to join which gives them a better chance as well."

The success and future opportunities for the young professionals involved in Impact Sourcing, such as Ashton and Kendra is echoed in the experience of industry specialist Franco Cotumaccio. Franco is a specialist in offshoring and developing with an emphasis on the Global Business Services (GBS) sector and is passionate about playing an active role in alleviating unemployment levels in South Africa through sustainable job creation.

Franco has been involved in the GBS sector for over 30 years, with half of that time in the UK and the latter in SA. He says that he has been privileged to have been a part of the founding and flourishing growth of the GBS sector. "One of the most enjoyable parts of this journey has been the opportunity to fulfil a passion of mine, to make a meaningful contribution to career creation for young South Africans," says Franco. His work has garnered recognition by the Industry Body and The City of Cape Town for his contribution in creating more than 30,000 jobs in the past 10 years and he was also invited to represent the sector at President Cyril Ramaphosa's inaugural Investment Conference.

"After heading up the fastest growing BPO which saw significant growth I came to the realisation that a step change was required in opening the resource pool up to further include young people who had no work experience. A lot was being talked about and piloted but there was something necessary to change the way we were looking at the challenge," Franco explains.

"Having an intimate understanding of the internal requirements of BPO I got a team together and we founded Shadow Careers. This game changing innovation became a movement of HEART, with real focus on creating the self-confidence required to succeed." Franco explains that the programmes were designed to take never been employed before youth through a 3-month program that would actually prepare them for the career that they would be going into.

"Our first partner was Sigma Connected; this was true partnership in action as the young shadow graduates passed seamlessly into their permanent careers at Sigma. The success has been down to several things but ensuring we partner with like-hearted businesses makes a very big difference, onboarding young people, many of whom come from very challenging backgrounds requires a receiving team who understand heart. The overall program success rate is running at 95%, this means 95% of those starting with Shadow Careers successfully achieve a permanent position with one of our BPO partners. We are truly excited about these results, and it would not have been possible without the partnership of our BPO and funding partners."

## In Conclusion

Turning to Impact Sourcing can help your business save costs while also allowing you to tap into an extended talent pool to source employees, thus giving your company a competitive advantage. South Africa's BPO sector has a key role to play in South Africa's economic recovery for all sectors of society. Sigma Connected is committed to continuing the progress that has been made in the last year through Impact Sourcing and hopes that fellow industry leaders will also follow suit so we can all build South Africa forward together!



Ready to make an impact? Visit [sigmaconnected.com](https://sigmaconnected.com) to contact us or find out more.

## Resources:

- Get Impact Sourcing Right by Andrew Burgess, M.N. Ravishankar and Ilan Oshri.  
[https://repository.lboro.ac.uk/articles/journal\\_contribution/Getting\\_impact\\_sourcing\\_right/9501398](https://repository.lboro.ac.uk/articles/journal_contribution/Getting_impact_sourcing_right/9501398)
- Harambee: Effort Needed to Move Impact Sourcing to BPO Mainstream  
<https://www.harambee.co.za/effort-needed-to-move-impact-sourcing-to-bpo-mainstream/>
- Impact Sourcing (Socially Responsible Outsourcing) by Ron Babin and Brian Nicholson  
<https://www.taylorfrancis.com/chapters/edit/10.4324/9781351037785-8/impact-sourcing-socially-responsible-outsourcing-ron-babin-brian-nicholson>.
- Markets, Globalization & Development Review (MGDR) volume 4: Scaling Jobs for the Poor: Reducing Poverty through the Impact Sourcing BPO Approach  
<https://digitalcommons.uri.edu/mgdr/vol4/>
- Rockefeller Foundation: Why Impact Sourcing Is Good for Businesses and Communities  
<https://www.rockefellerfoundation.org/blog/why-impact-sourcing-good-businesses/>
- Statistics South Africa Unemployment Survey Second Quarter 2021  
<http://www.statssa.gov.za/publications/P0211/Media%20release%20QLFS%20Q2%202021.pdf>

Unemployment figures:

- <https://www.news24.com/citypress/business/at-74sas-youth-unemployment-is-a-catastrophe-20211001>
- <https://www.aljazeera.com/economy/2021/8/24/south-africas-unemployment-rate-is-now-the-worlds-highest>



**David Neale**  
Regional Managing Director



**Aeysha Coetzee**  
Head of Recruitment



**Franco Cotumaccio**  
Co-founder of Shadow Careers



**Kendra Fredericks**  
Call Agent



**Ashton Juries**  
Call Agent