



Building more inclusive global supply chains

Introduction

The Global Impact Sourcing Coalition (GISC) seeks to build more inclusive and productive supply chains through advancing impact sourcing among multi-national corporations and their network of vendors.

By increasing awareness and uptake of this inclusive hiring practice in global supply chains, starting with the business process outsourcing industry, the coalition aims to provide people from disadvantaged and vulnerable communities with access to foundational job opportunities and career development, ultimately contributing to improved social and economic well-being of families, communities, and nations.

The GISC is a collaborative initiative between buyers and providers of business services. It is facilitated by BSR as the secretariat, and sponsored by the Rockefeller Foundation. The coalition is currently under development, with activities being planned in close consultation with participating companies.

Our Mission and Vision

The GISC's mission is to build more inclusive global supply chains through advancing wide-scale adoption of impact sourcing. Our vision is that all people in the world have the opportunity to obtain productive employment and decent work.

Context

Growing inequality is leading to reduced social and economic mobility and jeopardizing social progress and stability worldwide. One of the most sustainable means to reduce inequality is to ensure that poor and vulnerable populations have access to formal employment and decent work, allowing them to improve their conditions, acquire a career, and thus lift themselves and their families out of poverty.ⁱ

As the provider of 9 out of every 10 jobs worldwide, the private sector has a large opportunity to fight poverty and exclusion through supporting inclusive economic prosperity across their supply chains.ⁱⁱ It also has much to gain: By investing in inclusive hiring practices that promote equal opportunity, diversity, investment in human capital and skill development, and fair treatment in the workplace, companies can help to ensure that their business continues to thrive, and that economic benefits accrue to communities where their business activity occurs.ⁱⁱⁱ

What Is Impact Sourcing?

Impact sourcing is an inclusive employment practice through which companies in global supply chains intentionally hire and provide career development opportunities to people who otherwise have limited prospects for formal employment, to deliver business outcomes.

Impact sourcing has been shown to provide many business benefits, including 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.

Why Join?

GISC member companies champion a successful inclusive hiring practice that enhances their global competitiveness while highlighting their commitment to the local communities in which they operate. As a member, you will have the opportunity to:

- 1) Learn how to create jobs in your supply chain that achieve social impact, as well as business benefits for service providers such as reduced turnover and higher levels of employee engagement.
- 2) Shape, inform, and test impact sourcing principles and methodologies that will result in a common, globally accepted standard and approach.
- 3) Share common challenges and successes with peers.
- 4) Identify opportunities for collective action and partnerships to scale impact sourcing across various geographies and sectors.
- 5) Evaluate progress and communicate results through a common framework.

Members

The GISC welcomes into its membership influential global buyers and providers of business services, as well as stakeholders who are committed to impact sourcing. The GISC is initially focused on scaling impact sourcing in the global business process outsourcing industry.

Founding participants include the executive teams of Aegis, Alorica, Arvato, Digital Divide Data, Datamotivate, EXL, Merchants, Nielson, Samasource, Sutherland Global Services, Tech Mahindra, Teleperformance, Techno Brain Group, Vodacom, Webhelp South Africa and many others, together with Associate members Avasant Foundation, Harambee Youth Employment Accelerator, IAOP, and the Maharishi Institute.

“Impact sourcing offers a way to transform our industry into a more sustainable one. I’m glad to be part of a group to think about the future of our industry from a labor force perspective.”

—Global buyer of BPO services

How We Work

The coalition’s focus in 2016 will be to create a globally accepted standard and approach for impact sourcing that will enable buyers to scale up their commitment and employ a consistent approach across markets, while empowering service providers to communicate their impact sourcing capabilities and impact through a common methodology that meets buyers' needs.

The GISC will be governed by a steering committee of elected participants from member companies, with a balanced representation between buyers and providers. The majority of member meetings will take place by webinar, with at least one in-person member event planned per year.

Priority activities include:

- » **Establishing a global standard and assurance system:** Creating a common methodology to define, measure, evaluate, and improve impact sourcing initiatives;
- » **Building an impact sourcing toolkit:** Increasing company capacity through disseminating tools and resources and cultivating a community of practice;
- » **Communication and Recruitment:** Raising awareness and increasing global demand for impact sourcing;
- » **Research:** Demonstrating the value of inclusive hiring practices to business and society;
- » **Building partnerships and ecosystem capacity:** Facilitate partnerships, collaborative actions, and advocacy to advance inclusive hiring practices in global supply chains.

How to Get Involved

Organizations interested in joining the GISC will be required to complete an application form together with a signed statement of commitment to advance impact sourcing. The application will be reviewed by the steering committee, which may request additional information. Membership commences when the steering committee has accepted the application.

Membership in the GISC is free for all of 2016 through support of the Rockefeller Foundation. Membership dues will be introduced in 2017 for all regular members. Membership is available in one of two groups:

- 1) **Regular members** include one of the two categories below:
 - a) **Buyers** (or client firms): Organizations—including multinational corporations, small to medium enterprises, government units, private sector units—that outsource business processes to service providers.
 - b) **Service providers**: Companies that perform business services for client firms, such as business process outsourcing (BPO) providers.
- 2) **Associate members** (non-voting) may include companies and company representative organizations not falling in any of the two categories for regular members above, and nongovernmental and not-for-profit organizations such as impact sourcing training providers, membership organizations, universities, multistakeholder initiatives, and philanthropic foundations.



Contact the GISC Secretariat:
GISC@bsr.org

What Kinds of Service Providers Benefit from Joining the GISC?

Service providers currently targeted for GISC membership include those that offer outsourcing services, such as:

- » Customer interaction services (e.g. contact centers, telesales, collections)
- » Finance and accounting
- » Legal process outsourcing
- » Human resources outsourcing
- » Information technology outsourcing
- » Knowledge process outsourcing
- » Other back office (logistics, dispatch, warehouse management, etc.)

Over time, when prepared to develop tailored programming for new procurement categories, the GISC will welcome additional vendors of goods and services.

FAQ

WHAT IS THE ORIGIN OF THE GISC?

The Rockefeller Foundation has been at the leading edge of impact sourcing. As part of its Digital Jobs Africa (DJA) initiative to catalyze new, sustainable employment opportunities and skills training for African people, the foundation engages the private sector to contribute through practicing impact sourcing.

Due to its high growth and job creation potential, the Rockefeller Foundation initially targeted the global business process outsourcing (BPO) industry. Leading BPO buyers and providers responded as early champions of impact sourcing. They partnered with the Rockefeller Foundation to prove the business case for this inclusive hiring practice, creating the Foundation for impact sourcing to grow to scale within the BPO industry and other supply chains around the world.

In 2015, a group of leading buyers and providers of impact sourcing services brought together by the Rockefeller Foundation to discuss the future of impact sourcing called for the creation of a Global Impact Sourcing Coalition, with the aim of raising awareness, increasing ambition levels among global companies, and leading a movement to scale impact sourcing around the world. The resulting coalition was launched at an event in September 2016, in Johannesburg, South Africa.

WHAT ARE THE BUSINESS BENEFITS OF IMPACT SOURCING?

One of the goals of the GISC is to gather evidence to develop the business case for impact sourcing. Several initial studies already demonstrate how impact sourcing drives economic and social progress, including:

- » **Access to new sources of talent:** Access to untapped or underutilized labor pools. The global nature of impact sourcing allows companies to expand into new markets and diversify their outsourcing portfolios.
- » **Reduced Attrition Rates:** Impact workers have between 15 and 40 percent lower attrition rates than traditional workers.^{iv}
- » **Improved employee engagement:** Impact workers and their managers exhibit high motivation levels, leading to improved performance.
- » **Long-term cost savings:** Impact sourcing provides quality and cost at parity with traditional employment practices and often results in cost savings in the long term due to reduced turnover and heightened employee engagement.
- » **Corporate citizenship alignment:** Impact sourcing promotes responsible supply chains, diverse workforces, local content regulation compliance, and improved stakeholder relations.

WHAT IS THE SOCIAL IMPACT?

By providing access to foundational job opportunities and career development, impact sourcing ultimately contributes to the improved social and economic well-being of individuals, families, and communities.

- » **Income growth:** Impact sourcing employment provides measurable increases in income levels. Research has shown that new hires benefit from increases in income of 40 to 200 percent.^v
- » **Career opportunities:** Impact sourcing provides an opportunity for employees to learn transferable skills that serve as a springboard for future job opportunities, long-term career advancement, and increased remuneration over time.^{vi}
- » **Poverty reduction and social security:** Through formal employment, impact sourcing hires are better protected socially and are able to support their families and invest in improved housing, nutritious foods, education, and healthcare.

WHO IS EMPLOYED THROUGH IMPACT SOURCING?

The GISC aims to provide career opportunities in the formal sector to people from disadvantaged or vulnerable backgrounds, who might otherwise not have the opportunity for such employment.

Vulnerability describes a set of conditions of people that derive from the historical and prevailing cultural, social, environmental, political, and economic contexts, which may lead to discrimination, social exclusion, stigmatization, and deprivation of protections and entitlements on an ongoing basis. The definition of vulnerable people in each country will depend on their specific characteristics, and even on the overall regional level of social or economic development.^{vii} Vulnerable groups often include the poor; women; youth; those without access to quality education; the elderly; national minorities; indigenous peoples; the disabled; internally displaced persons and refugees; migrant workers; people living with HIV/AIDS; and lesbian, gay, and transgender people.^{viii}

We use long-term unemployment and informal employment as proxies to identify vulnerable groups. As a result of marginality, vulnerable groups are more likely than the average population to be excluded from formal employment, resulting in lower labor force participation rates, higher rates of unemployment, and increased likelihood of working in the informal economy, without access to social protections or stable incomes.^{ix} For example:

- » *Youth* unemployment rates are three times higher than that of adults.^x
- » *The poor* in emerging and developing countries tend to hold vulnerable jobs.^{xi}
- » *Women* are more likely to be unemployed than men, with global unemployment rates of 5.5 percent for men and 6.2 percent for women worldwide, and significant regional differences, including North Africa and the Arab States where women are twice as likely to be unemployed as men.^{xii}
- » *Migrants and refugees* often find employment only in the informal sector.^{xiii}
- » *Persons with disabilities* face low prospects for employment. In developing countries, 80 to 90 percent of persons with disabilities of working age are unemployed.^{xiv}

Impact sourcing is an affirmative-action employment initiative. Affirmative action or positive action is based on the rationale that historical barriers faced by certain groups on any ground of discrimination must be overcome and eliminated.^{xv}

HOW DOES IMPACT SOURCING COMPARE TO OTHER SUPPLY CHAIN DIVERSITY INITIATIVES?

Impact sourcing is complementary to other supplier diversity and social responsibility programs. Current supplier diversity programs—such as those encourage the use of minority-owned, women-owned, or veteran-owned firms, among others—tend to focus on the diversity of the owner as an indicator of a diverse and resilient supply chain. Impact sourcing focuses on the employees of an inclusive business, ensuring that the supplier workforce is also inclusive and representative of the communities in which they operate, with all of the business benefits associated with workforce diversity.

HOW DOES IMPACT SOURCING CONTRIBUTE TO INCLUSIVE ECONOMIES?

Increasing access to employment is critical to global development and reducing global inequalities. The newly adopted 2030 Agenda for Sustainable Development, which includes 17 Sustainable Development Goals (SDGs), stresses the key roles that employment and decent work play in ensuring inclusive economic growth, as well as their contribution to enhancing social and environmental outcomes.

Impact sourcing most directly contributes to SDG8, to “promote sustained, inclusive, and sustainable economic growth; full and productive employment; and decent work for all.” In particular, impact sourcing affects the following targets:

- » Target 8.5: By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.
- » Target 8.6: By 2020, substantially reduce the proportion of youth not in employment, education, or training.
- » Target 8.8: Protect labor rights and promote safe and secure working environments for all workers, including migrant workers.

Furthermore, ensuring access to employment and decent work is a critical subcomponent of several other core Goals, including those on poverty (SDG1), hunger (SDG2), health and well-being (SDG3), gender equality (SDG5), reduced inequalities (SDG10), and others.

ADDITIONAL RESOURCES

- » [The Business Case for Impact Sourcing](#), by the Everest Group
- » [Rockefeller Foundation: Digital Jobs Africa](#) initiative

ⁱ ILO, “World Employment Social Outlook: Transforming jobs to end poverty” (2016). Available at: http://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms_481534.pdf

ⁱⁱ UNIDO, “IFC Jobs Study,” (2013). Available at:

http://www.ifc.org/wps/wcm/connect/5c201d004e2c09d28d32ad7a9dd66321/IFC_Job+Study+Condensed+Report..pdf?MOD=AJPERES.

ⁱⁱⁱ Davis-Pluess J.; and Meiers, R. “Business Leadership for an Inclusive Economy: A Framework for Collaboration and Impact” BSR Working Paper. BSR, San Francisco (2015). Available at: https://www.bsr.org/reports/BSR_Inclusive_Economy_Paper_2015.pdf.

^{iv} Everest Group, “The Case for Impact Sourcing” (2014). Available at: <https://www.rockefellerfoundation.org/report/the-case-for-impact-sourcing/>.

^v Monitor Deloitte, “Job Creation Through Building the Field of Impact Sourcing,” (2011). Available at:

<https://www.rockefellerfoundation.org/app/uploads/Job-Creation-Through-Building-the-Field-of-Impact-Sourcing.pdf>.

^{vi} Samasource, “Q2 2016 Impact Scorecard,” (2016). Available at:

http://media.wix.com/ugd/e4cc5f_70b271c2437544e28718f3ea5779d946.pdf.

^{vii} Adapted from “The Brasilia Regulations Regarding Access to Justice for Vulnerable People,” approved by the Plenary Assembly of the Ibero-American Judicial Summit in March 2008, available at: <http://www.osce.org/odihr/68082>.

^{viii} Adapted from the Icelandic Human Rights Centre, “The Human Rights Protection of Vulnerable Groups,” available at

<http://www.humanrights.is/en/human-rights-education-project/human-rights-concepts-ideas-and-fora/the-human-rights-protection-of-vulnerable-groups/>.

^{ix} ILO, “World Employment Social Outlook.”

^x ILO, “World Employment Social Outlook.”

^{xi} ILO, “World Employment Social Outlook.”

^{xii} ILO, “Women at Work: Trends 2016” (2016). Available at: http://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms_457317.pdf.

^{xiii} ILO, “World Employment Social Outlook.”

^{xiv} ILO, “Employment and Disabled Persons: Information Sheet,” (2015). Available at: <http://www.hpod.org/pdf/employment-disabled.pdf>.

^{xv} Special measures to accelerate equality for vulnerable groups are endorsed by the international community. For example, the “[Convention on the Elimination of all Forms of Discrimination Against Women](#)” (CEDAW) General Recommendation No. 25, Article 4, Paragraph 1; and the “[International Convention on the Elimination of All Forms of Racial Discrimination](#),” Article 1.4.

About The Rockefeller Foundation

For more than 100 years, The Rockefeller Foundation’s mission has been to promote the well-being of humanity throughout the world. Today, The Rockefeller Foundation pursues this mission through dual goals: advancing inclusive economies that expand opportunities for more broadly shared prosperity, and building resilience by helping people, communities and institutions prepare for, withstand, and emerge stronger from acute shocks and chronic stresses. Together with partners and grantees, The Rockefeller Foundation strives to catalyze and scale transformative innovations, create unlikely partnerships that span sectors, and take risks others cannot – or will not. To learn more, please visit www.rockefellerfoundation.org

About BSR

BSR is a global nonprofit organization that works with its network of more than 250 member companies and other partners to build a just and sustainable world. From its offices in Asia, Europe, and North America, BSR develops sustainable business strategies and solutions through consulting, research, and cross-sector collaboration. Visit www.bsr.org for more information about BSR’s more than 25 years of leadership in sustainability.