

DECEMBER 2019

SOCIAL IMPACT MEASUREMENT FRAMEWORK

Impact Sourcing



Photo: Impact Workers at Digital Divide Data, Laos

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Introduction to the Global Impact Sourcing Coalition

[The Global Impact Sourcing Coalition \(GISC\)](#) is a global network of businesses creating jobs for those most in need through the power of procurement and global supply chains. Impact Sourcing is a business practice where companies prioritize suppliers that intentionally hire and provide career development opportunities to people who otherwise have limited prospects for formal employment. Working with some of the world's leading companies on Impact Sourcing, the GISC connects buyers and Impact Sourcing suppliers, assesses suppliers against the Impact Sourcing Standard, and develops tools and guidance for companies to manage their Impact Sourcing programs.

Through Impact Sourcing, member companies are working towards GISC's vision of a world in which all people have the opportunity to obtain productive employment and decent work. Through existing procurement and HR spend, companies are connecting the dots between their intentional investments in SDG 8 (decent work) and connected impacts on SDGs 1 (no poverty) and 10 (reducing inequality). With the launch of GISC's Impact Sourcing Standard in 2018, and this Social Impact Measurement Framework today, the GISC aims to empower companies to define, measure, and communicate the social impacts of their inclusive employment commitments, and to continuously improve to achieve greater impact.

Introduction to the Impact Sourcing Measurement Framework

The goal in establishing this Impact Sourcing Measurement Framework is to provide companies with a standardized and logical guide defining the intended outcomes and connected impacts of Impact Sourcing for impact workers, their households, and communities. The objectives of this Framework are:

1. To create a starting point for Impact Sourcing Providers to measure, evaluate, and continually improve their Impact Employment programs
2. To enable consistent and powerful communication of what Impact Sourcing achieves at organizational and aggregate levels
3. To demonstrate the linkages between Impact Sourcing commitments and their contribution to the Sustainable Development Goals

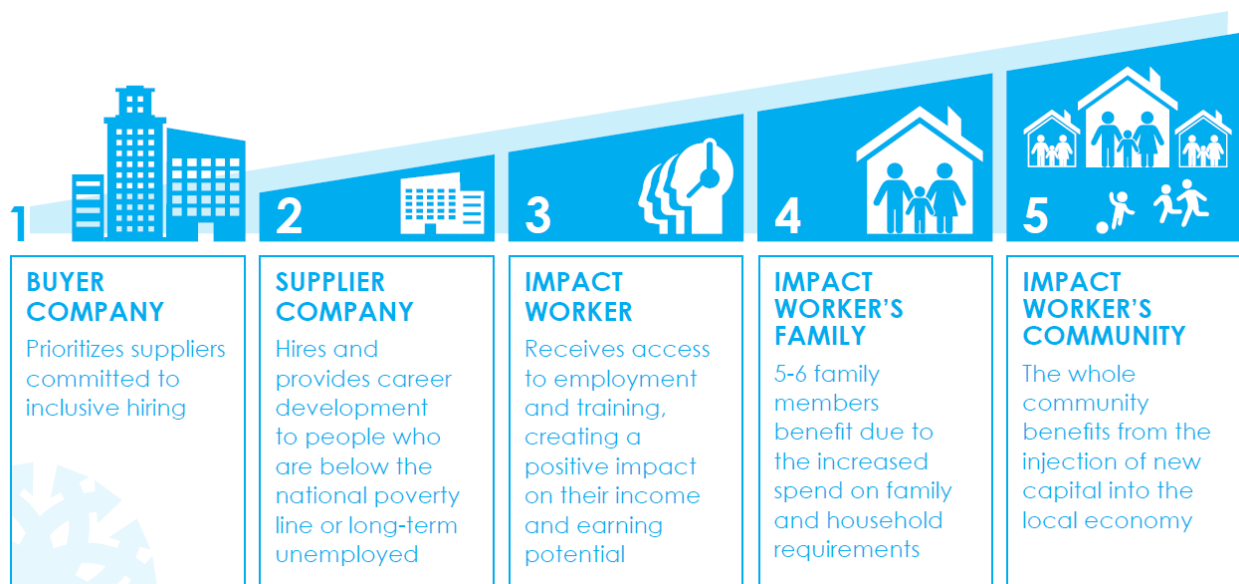
To achieve its objectives, this framework includes the following components:

1. Impact Sourcing Value Chain
2. Theory of Change
3. Core Indicators and Key Messages
4. Extended Indicators
5. Appendix 1: Core Indicator Calculation & Collection Methodology
6. Appendix 2: Resources

The GISC has developed this resource as a working paper and welcomes member companies as well as experts outside the Coalition to share feedback and input to build on this approach. In order to test and improve this Framework, the GISC welcomes organizations and funders interested to partner on a pilot of this approach. Please reach out to jcuster@gisc.org and gisc@bsr.org to express interest, inquiries, and ideas.

Impact Sourcing Value Chain

The Impact Sourcing Value Chain offers a high level overview of the activities and impacts generally expected across the actors of Impact Sourcing—a business practice where a company prioritizes suppliers that intentionally hire and provide career development opportunities to people who otherwise have limited prospects for formal employment (i.e. Impact Workers). The GISC defines Impact Workers as people hired into an organization who were previously long-term unemployed or living in poverty, which have been identified by the GISC as universal signs of disadvantage that applies across cultural, political, and geographic contexts, and enables companies offer inclusive employment opportunities across every community they operate in.



The GISC is founded on the premise that increased market demand for socially responsible suppliers that employ, train, and provide career opportunities for vulnerable workers will result in systemic improvement in the lives and livelihoods for impact workers, their families, and their communities. Further, as businesses and governments adopt Impact Sourcing as a priority procurement criterion, supplier organizations will seek to differentiate themselves based on their community impacts, and the supply of inclusive employment opportunities across supply chains.

Theory of Change

A theory of change seeks to lay out the anticipated path to impact that a specific organization, program, or business practice—such as Impact Sourcing—follows to achieve positive change.

The Impact Sourcing Theory of Change¹, developed as the foundation of this Framework, is a further elaboration of the Impact Sourcing Value Chain. It establishes the impact objectives of Impact Sourcing and identifies drivers and inputs—investments made by buyer and supplier companies—that can be expected to result in direct outputs and lead to intended outcomes and impacts for impact workers, their households, and communities.² The Impact Sourcing Theory of Change builds off the Impact Sourcing Standard and connects to relevant Sustainable Development Goals and Targets.

Objectives

Objectives are the articulation of the long-term, comprehensive, and positive change intended by a program or practice. Impact Sourcing seeks to achieve three objectives:

1. **Increase access to decent work opportunities for Impact Worker Candidates** Buyer and Provider commitments to Impact Sourcing directly increase the pool of jobs available and accessible for candidates that are long-term unemployed or living in poverty. Inclusive hiring and employment practices reduce barriers and enable success for impact worker candidates to apply for roles, earn job offers, accept positions, and thrive in their roles. Outcomes and Impacts under this objective are driven by ISS Sections 1 and 2 and contribute most directly to SDG Goal 8: Promoting inclusive growth and productive employment for all.

¹ See Page 7 (Overview) and [Downloadable Excel File](#) (Detail)

² Buyers and Providers may wish to evaluate how and to what extent their investments in these commitments and practices generate value for themselves and their customers. In many cases, Buyers and Providers are already doing this and it can be an important first or parallel step towards measuring the broader results across the Impact Sourcing Value Chain. See the Buyer and Provider Business Impacts Breakout Box for further guidance.

Measuring Business Outcomes

Impact Sourcing enables Buyer and Provider companies to achieve important outcomes for their businesses, in addition to creating social impact for impact workers and the communities where they invest and operate.

Other important business outcomes for **Buyers** include enabling them to demonstrate corporate citizenship, meet supplier inclusion goals, and build new partnerships with Providers that compete with traditional suppliers on quality, performance, and price—often while offering a more stable workforce.

Providers are able to access pools of untapped talent that perform at comparable levels with traditional workers but tend to be more committed to staying with the company, potentially leading to long-term cost savings and competitive advantages through reduced turnover.

Measuring these business outcomes—which may include key performance indicators such as attrition, turnover, and worker performance, among others—is foundational for continuously improving impact employment programs and proving the business case with internal and external stakeholders for Impact Sourcing.

This is something that many Providers are likely already leveraging their operational data to do and is not the focus of this Impact Sourcing Social Impact Measurement Framework. The Framework instead focuses on defining and offering advice for measuring and evaluating the *social outcomes and impacts* generated by Impact Sourcing for Impact Workers, their households, and communities.

2. **Improve well-being for Impact Workers, their households, and communities** Decent and consistent compensation enables impact workers to increase their individual and household income and subsequently their savings and spending on critical goods and services, such as quality food, housing, and education, that promote long-term financial stability and wellbeing. Work related benefits such as health insurance and retirement contributions enable impact workers to bolster their individual and household resilience over the near and long terms.³
3. **Enable transition beyond Impact Employment** On-the-job training and development programs which focus on building valuable and transferable skills enable impact workers to achieve employment stability and advance along a career path that offers them subsequent growth opportunities. Performance management systems and feedback loops empower impact workers with the information they need to continuously improve, and eventually transition beyond their initial impact employment role, whether by achieving long-term stability in their role, through internal promotion, or through securing external advancement opportunities. Outcomes and Impacts under this objective are driven by ISS Sections 4 and 5 and contribute most directly to SDG Goal 10: Reducing inequality within and among countries.

Drivers and Inputs

Drivers and Inputs of the Impact Sourcing Theory of Change are based on GISC's [Impact Sourcing Standard](#), which was launched in 2018 and codifies the minimum requirements and best practices for Impact Sourcing Providers.

- **Drivers:** the broad areas of action or investment that can be expected to lead to intended impact, are connected to ISS Sections including 1) Recruiting Commitments and Practices⁴, 2) Remuneration and Benefits⁵, and 3) Training, Development, and Performance Management⁶.
- **Inputs:** the specific activities that occur under each driver that can be expected to result in direct outputs and drive outcomes and impacts for workers, their households, and communities, are the investments that Impact Sourcing Providers make to adhere to ISS requirements.⁷

Outputs, Outcomes, & Impacts

Outputs, outcomes, and impacts of the Impact Sourcing Theory of Change are based on an elaboration of the connection between drivers and inputs to what could reasonably be expected to occur as a result of Impact Sourcing. Defining these expected linkages enables companies to be clear about the types of results they are seeking, tracking and communicating and to make stronger, evidence-based claims in

³ Many GISC Providers noted that financial well-being also increases employee free-agency and confidence, leading to cascading impacts in their personal lives and households. As an example, some Providers in India have noted that their female Impact Workers have waited longer to get married and exercise greater agency in selecting their spouses than their unemployed counterparts.

⁴ See Impact Sourcing Standard, Section 1 & 2

⁵ Outcomes and Impacts under this objective are driven by ISS Section 3 and contribute most directly to SDG Goal 1: Ending poverty in all its forms everywhere. See Impact Sourcing Standard, Section 3

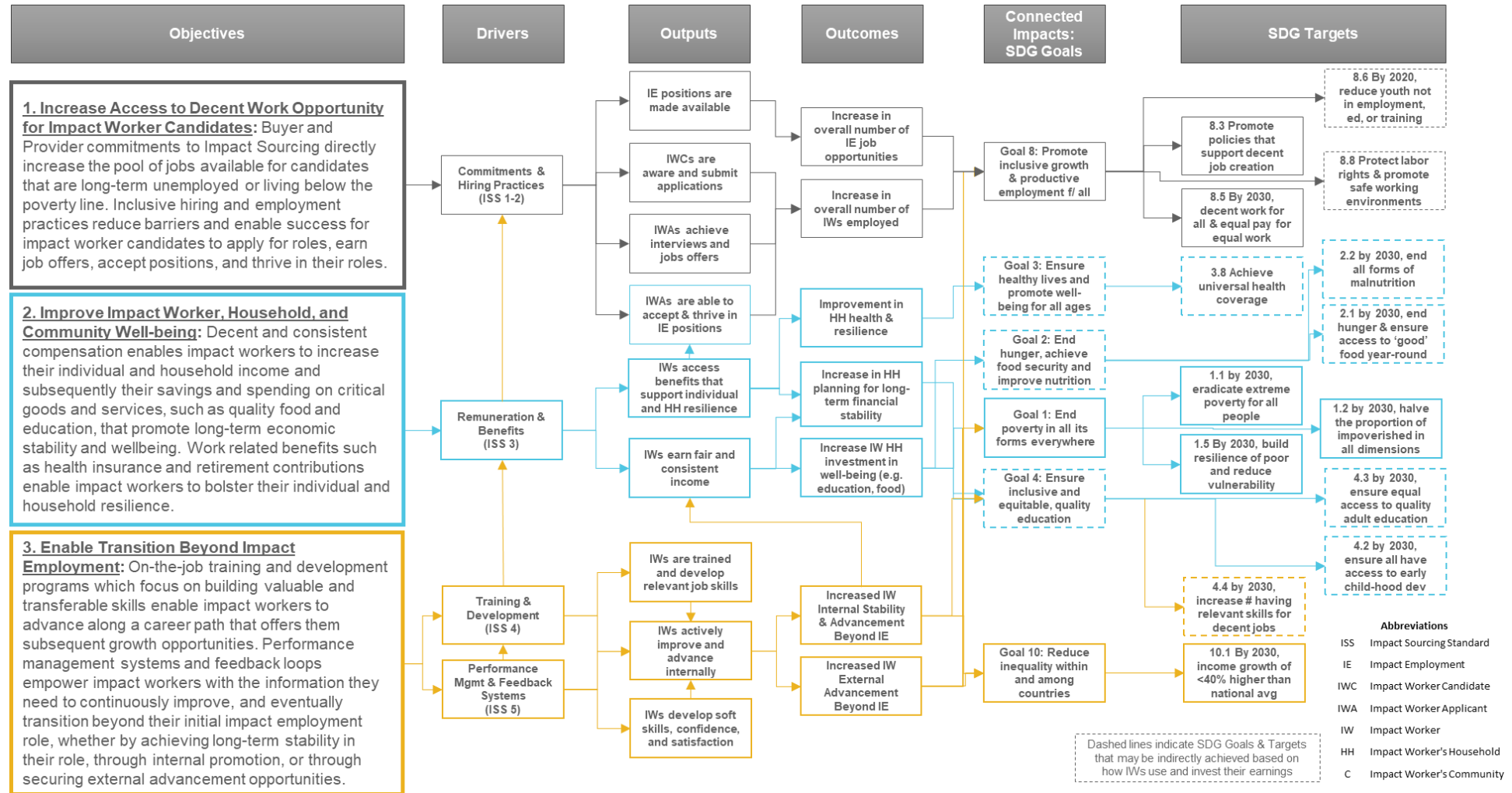
⁶ See Impact Sourcing Standard, Section 4 & 5

⁷ The framework does not specifically define or recommend input indicators, beyond referencing the Impact Sourcing Standard criteria, in order to recognize and allow for variation across Providers and the investments they make in their Impact Employment programs. See [Evaluation Guidance #1](#) for further recommendation on defining input indicators.

relation to the impacts they achieve through Impact Sourcing. The Impact Sourcing Theory of Change utilizes the following definitions:

- **Outputs:** The direct results of inputs. Examples of output indicators in this framework include 'Total Wages Paid' and 'Number of Training Hours.' Since these can typically be measured directly from operational data, they are the easiest components of the Theory of Change to capture. However, these are best interpreted as *operational results*, rather than outcomes or impacts.
- **Outcomes:** Observed effects of the outputs on the target population--in this case, impact workers, their households, and communities—over the near and long-term. Examples of outcome indicators in this framework include 'Average Increase in Household Savings,' and 'Impact Workers Transitioned Beyond Impact Employment'. Outcomes offer stronger indicators than outputs on the effects of Impact Sourcing on impact workers and are often more challenging to capture since they frequently require data collection outside the scope of a company's general business operations.
- **Impacts:** The longer-term change that is expected to occur with sustained and meaningful investment in Impact Sourcing by the business community. There are many long-term benefits that might be foreseen from a world in which every person has the opportunity to secure a good job, from poverty alleviation to improved health and wellbeing of entire populations. For the sake of simplicity, this Framework links impacts to the SDGs, offering insight into the way in which various Impact Sourcing investments contribute to the globally agreed goals.

Putting It All Together – Theory of Change Overview



Core Indicators & Key Claims

With an intent to make this Framework actionable, a selection of core indicators has been elevated from the broader Theory of Change. The GISC recommends businesses track and communicate the core indicators identified below, organized by relevant Impact Sourcing Objective and linked to the key claims they enable, key operational questions to which they relate, and the Sustainable Development Goal to which they contribute.

Objective 1: Increase access to decent work opportunities for Impact Workers

Core Indicator		Key Claims	Key Questions	SDG Goal
1	Impact Employment Jobs: Total	<p>Impact Sourcing increases the pool of decent work opportunities for disadvantaged job candidates.</p> <p>E.g. There was a total of X Impact Employment Jobs in [current period] including X new job opportunities created, representing an X% increase in Impact Employment jobs over [prior period].</p>	How much employment opportunity has Impact Sourcing created?	8. Promote inclusive growth & productive employment for all
2	Impact Employment Jobs: New		What is the gap between opportunity created and existing need in the local community? Globally?	
3	Impact Workers Hired: Total	<p>Impact Employment positions often create on-going opportunity in disadvantaged communities - as impact workers transition to career paths beyond their initial positions, these positions are often made available to new candidates.</p> <p>E.g. In [current period], a total of X new Impact Workers were hired (X to fill newly created positions and X to refill existing positions), resulting in a total of X people directly impacted through Impact Employment since [prior period]. Of these, X% were living under the poverty line and X% were long-term unemployed.</p>	How many people are being reached?	
3a	- Long-term unemployed		What is the gap between reach and targets?	
3b	- Living under the poverty line		Is Impact Sourcing reaching the populations we intend to reach?	
3c	- Basic Demographics: Gender, Age, Location		Can we confirm opportunity is being created for and accessed by people who were previously long-term unemployed or living under the poverty line?	

Objective 2: Improve well-being for Impact Workers, their households, and communities

Core Indicator		Key Claims	Key Questions Answered	SDG Goal
4	Impact Worker Starting Average Earnings: % of Minimum Wage	<p>Impact Employment guarantees workers decent wages from the start.</p> <p>E.g. On average, entry-level earnings of Impact Workers is X% of the applicable minimum wage, X% of the Median Wage, and X% of the applicable living wage.</p>	<p>Is Impact Employment delivering on its promise of 'decent work'?</p> <p>To what extent are entry-level earnings exceeding minimum wage and meeting or exceeding median and living wages?</p> <p>To what extent are benefits being provided and accessed?</p>	1. End poverty in all its forms everywhere
5	Impact Worker Starting Average Earnings: % of Median Wage			
6	Impact Worker Starting Average Earnings: % of Living Wage			
7	First Time Health Care Benefits Participants: # & %	<p>Impact Employment increases access to benefits that support near and long-term resilience</p> <p>E.g. Since [start of current period], X Impact Workers (X% of total Impact Workers) enrolled in health care and retirement benefits, with X% reporting this employment opportunity as the first time they've accessed those benefits.</p>		
8	First Time Retirement Benefits Participants: # & %			

Objective 3: Enable transition beyond Impact Employment

Core Indicator		Key Claims	Key Questions Answered	SDG Goal
9	Average Training Hours: First Year	<p>Impact Employment includes investment in valuable skills development.</p> <p>E.g. Impact workers completed an average of X hours paid training in their first year of employment.</p>	How much training and capability development time is being invested in Impact Workers?	10. Reduce inequality within and

10	Impact Workers Transitioned Beyond Impact Employment: Total	Impact Employment starts workers on a path towards long-term career and earnings growth.	How successful is Impact Employment at enabling Impact Worker transitions to stable employment or advancement opportunities?	among countries
10a	- Impact Workers Transitioned Beyond Impact Employment: Internal Stability	E.g. X impact workers transitioned beyond Impact Employment in [current period], X% via long-term job stability, X% via internal promotion, and X% via external advancement opportunities.		
10b	- Impact Workers Transitioned Beyond Impact Employment: Internal Promotion			
10c	- Impact Workers Transitioned Beyond Impact Employment: External Advancement			
11	Average Tenure to Internal Promotion: Impact Workers & Total Workforce	Impact Employment is an efficient way to make a tangible difference in long-term opportunity for impact workers.	How long does it take for an impact worker to transition beyond their initial impact employment role?	
11	Average Tenure to External Advancement: Impact Workers	E.g. X% of Impact Workers persist and transition beyond impact employment within X years. The average tenure to internal promotion and external advancement is X and Y, respectively.	How does that compare to traditional employment?	
12	Net Promoter Score	Impact Sourcing is recommended by impact workers. E.g. X% of Impact Workers are 'promoters' of their impact employment experience.	Are Impact Workers having a good experience with your company? Would they recommend it?	

The goal of having common key claims is to enable more consistency and comparability in communication about Impact Sourcing across organizations and to enable powerful aggregate communication in order to grow awareness, understanding, and uptake of Impact Sourcing. Key claims were drafted based on the minimum outcomes we think are important to communicate about what Impact Sourcing achieves at organizational and aggregate levels. We selected this set of core indicators as those most necessary to enable communication of the key claims. We also intended to select core indicators that would be relatively less complicated to collect as a part of existing operations and that would be most broadly applicable to the diverse range of employers and Impact Employment Programs. Thus, core indicators are focused on the Impact Worker, versus their households or communities, and can be sourced mostly from operational data.

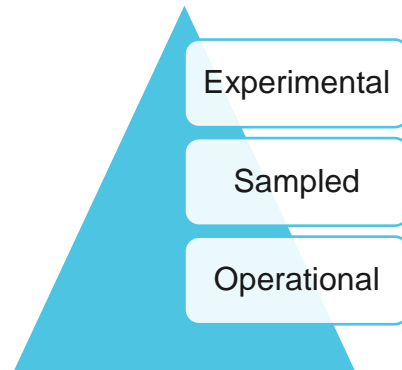
The Impact Sourcing Measurement Framework also refers to extended indicators which span the full Impact Sourcing Theory of Change and go deeper into non-operational data at household and community levels such as 'average increase in household savings', '% of households accessing preventative healthcare', or change in 'impact worker reported self-confidence'. These are not included as a part of our key claims or core indicators set since this information can be more difficult to collect and act on as well as sensitive for employers to handle, in some cases. However, the full set of extended indicators can be viewed as a part of the supplemental Theory of Change [Downloadable Excel file](#) (detail) and further guidance is offered in the **Extended Indicators** section below.

Data Collection Guidance

Data Types, Sources, & Collection Timing

There are three main types of data collection that would be required to support monitoring and evaluation of the outputs, outcomes, and impacts outlined across the full Impact Sourcing Theory of Change. These include operational, sampled, and experimental.

- Experimental data:** is collected as the result of quasi-experimental or truly experimental studies (such as randomized-controlled trials). These data collection methods are not necessary to support core indicator measurement but, they may be useful tools for companies interested in exploring measurement of the extended indicators identified within the Impact Sourcing Theory of Change.⁸
- Sampled data:** often collected via a survey, is not typically a part of normal business operations and often requires data collection from a subset of the total population.
- Operational Data:** As noted, the core indicators were selected with the intention that they could be derived primarily from operational data. They reflect the direct outputs and outcomes of ongoing regular activity, such as hiring, compensation, and training and can be collected as a normal part of business operations. It is recommended that Providers embed the tracking mechanisms and processes for core indicators directly within their existing Human Resources functions, as the data source, to maximize data collection efficiency. Additional recommendations on data source, collection, and reporting timing for core indicators are outlined in Appendix 1.



Common Calculation Methodology

To enable coherent aggregate reporting and comparability, core indicators should be calculated using a common methodology. See Appendix 1 for core indicator definitions and instructions for calculations.

Demographic Data

As a part of the core indicators, it is recommended that businesses track newly hired impact workers to the relevant impact worker demographic category (long-term unemployed or living under the poverty line—which have been identified by the GISC as universal signs of disadvantage that applies across cultural, political, and geographic contexts). This measurement is key for confirming whether Impact Employment programs are reaching the intended beneficiaries. Additionally, three basic demographic indicators are recommended including: Gender, Age, Location. Beyond this, the framework does not require that additional demographic data be collected as a core indicator. At an organizational level,


⁸ See Appendix 1 (Overview), [Downloadable Excel File](#) (Detail), and [Extended Indicators Section](#)

Buyers and Providers may identify and choose to track additional demographic data that is relevant to the evaluation or communication of their Impact Sourcing and Employment programs.

Communication & Claims Guidance

When tracking and reporting on core indicators, making appropriate claims is critical for credible communications. The Appropriate Claims chart, developed by the [Sorenson Impact Center](#), provides an overview of credible communication, given the level of activity an organization has reached in terms of impact management and measurement.

Appropriate CLAIMS






	My program intends to do social good.	My program intends to improve these specific social outcomes.	Social outcomes are improving in this area among this demographic.	Compared to historical data, my intervention delivers improved social outcomes.	My program improves social outcomes.
 THEORY OF CHANGE	X				
 KEY PERFORMANCE INDICATORS	X	X			
 BUILD DATA CAPACITY	X	X	X		
 QUASI-EXPERIMENTATION	X	X	X	X	
 RANDOMIZED CONTROL TRIALS	X	X	X	X	X

Figure 1, Source: [SSIR.org](#), Image courtesy of the [Sorenson Impact Center](#)

- As a starting point, the Impact Sourcing Theory of Change⁹ is a useful tool for communicating how Impact Sourcing intends to create social good.
- The definition of core and extended output and outcome indicators enables Providers to communicate which specific social outcomes Impact Sourcing intends to improve.
- Collecting and analyzing the core indicators consistently over time will enable Providers to communicate observed improvements in those outcome areas for Impact Workers. Providers can leverage the key claims linked to the core indicators to communicate these improvements in correlation with Impact Employment practices.
- A quasi-experimental study or randomized control trial would need to be conducted to imply or confirm a causal link between Impact Employment practices and the outcomes observed. This level of activity would enable Providers to claim outcomes as a direct result of their programs.

⁹ See Appendix 1 and [Downloadable Excel File](#)

Evaluation Guidance

In addition to enabling aggregate and organizational communication of how Impact Sourcing is achieving its objectives, the recommended core indicators also provide a strong foundation for Providers to evaluate aspects of their individual Impact Employment programs and identify opportunities for improvement. Recommended steps towards leveraging the core indicators for program evaluation include:

1. **Define the key inputs of your organization's Impact Employment Program:** The Theory of Change identifies the Impact Employment practices that act as impact drivers and links these to generalized inputs defined as potential investments into developing and implementing these practices. The framework does not specifically define or recommend input indicators in order to recognize and allow for variation across Providers and their Impact Employment programs. However, by further defining inputs at an organizational level, Providers could track the change in core indicators to identify correlation between Impact Employment investments and outcomes.
2. **Set targets for the core indicators:** Based on the goals and future plans for your organization's Impact Employment program, set organizational targets for the core indicators and track progress to those targets over time. The extent to which an organization does or does not achieve its targets for the core indicators as planned can be an initial indicator of whether or not its Impact Employment program is effective at achieving the [Impact Sourcing Objectives](#). If your organization is not achieving the targets you planned for, revisiting Step 1 may help to identify which aspects of your program are more or less effective.
3. **Contextualize the results:** Collection and communication of core indicators is most useful to companies and stakeholders if it is done so in comparison with local and global contexts, as well as organizational targets (noted in #2 above). Figure 2 below is an example of how contextual references can make an Impact Sourcing claim more relevant to inform internal decision-making and more powerful to communicate to stakeholders and buyers, at the organizational level.

Contextualizing Objective 1, Key Claim 1 - organizational level

Example: Company A establishes a call center in Town B, with an impact employment program focused on offering jobs and training to members of the community currently long term unemployed. In 2019, Region B, where Town B is located, reported a total of 5,000 long term unemployed residents. Company A hires 400 impact workers in 2019 and targeted to add 90 more positions in 2020 but grows sufficiently to add 200 more.

Standard Claim: **Impact Sourcing increases the pool of decent work opportunities for disadvantaged job candidates.** In 2020, our company was proud to make 600 jobs accessible to the long term unemployed, including 200 new opportunities created, representing a 50% growth over last year.

With Added Context: Our business growth enabled us to more than double the new opportunities we targeted to create in 2020 and our 600 total positions brought stable work opportunity equivalent to 12% of Town B's unemployed residents.

4. **Consider broadening collection of Impact Worker feedback:** The core indicators include the Net Promotor Score as one important indication of the Impact Workers experience and recommendation of the Impact Employment program. Broadening your request for Impact Worker feedback will likely result in valuable information about how your intended beneficiaries are experiencing your program. While beneficiary feedback is not a measurement of outcomes or impact, it can provide key insights that help an organization to tailor their program to better serve current and future Impact Workers.¹⁰

Extended Indicators

While this framework recommends tracking and communicating a limited subset of common core indicators, the Impact Sourcing Theory of Change¹¹ is intended to offer a fuller picture of the immediate and long-term outcomes and impacts that can be logically expected and connected with Impact Sourcing commitments and Impact Employment practices. For organizations wishing to go beyond the core indicators, the Theory of Change can be utilized as a guide to additional, extended indicators that may be valuable to measure and communicate the achievements of an Impact Employment Program. However, it is recommended to review the following key considerations to determine the best strategy for measurement of extended indicators:

1. **Define relevant operational and impact questions and goals to guide indicator selection:** It is best practice to collect only data that can and will be utilized to support better understanding, decision-making, and improvement of program operations and outcomes. Start by defining key questions your organization would seek to answer about your Impact Employment program and consider which indicators might help to answer those questions.
2. **Clarify priority goals and targets of your Impact Employment Program to guide indicator selection:** Clarifying goals and targets prior to any extended measurement will ensure these efforts are focused on areas most relevant to your organization. For example, if a Provider has recently made significant investments in redesigning recruitment processes to reduce biases and barriers, it may be most interested in exploring the extended indicators under Objective 1 to track any change in conversion rates from impact worker applicant to job offer. Or if an organization has worked hard to implement an entry level impact worker salary that exceeds living wage, it may be more interested in exploring extended indicators under Objective 2 to investigate how that has translated into household investment, well-being, and resilience.
3. **Ensure there is a clear purpose and use plan for any data you seek to collect:** Impact data collection requires time and resources both from the collecting organization as well as the from the individual or group from whom information is being collected or requested. To ensure efficient use of resources and respect for all involved, limit data collection of indicators to those that support questions highlighted in Consideration 1 above or goals and targets highlighted in Consideration 2 above. If your organization does not currently have the capacity to analyze or follow-up on the data in productive ways, do not collect it.

¹⁰ See <https://www.surveymonkey.com/r/shrm-employee-engagement-survey-template> for potential employee survey questions

¹¹ See Page 7 and [Downloadable Excel File](#)

- 4. Consider legal and privacy issues before collecting sensitive data:** Employers should be aware that certain indicators of the improved well-being that Impact Employment aims to create—such as increase in income or household spending— are also private and sensitive employee data. In some cases, there may be legal restrictions on the data that employers can request of their employees. It is recommended to check local law and consult with your HR team to avoid legal concerns, and to learn how request information in a way that is worthy of employees' trust. Beyond legal implications, employers should prioritize employee privacy over data collection needs when the data may be considered sensitive.
- 5. Consider collaborating with an expert or academic partner:** It is recommended that employers (especially those established as traditional businesses) who are interested in exploring measurement and evaluation of extended indicators collaborate with expert academic or non-profit partners to most credibly and effectively develop, implement, and learn from deeper impact assessment. The GISC associate membership is a great place to explore potential collaborations.

Appendix 1: Core Indicator Calculation & Collection Methodology

Indicator Calculation			Data Collection Methodology			
#	Core Indicator	Definition & Calculation	Data Type	Data Source	Collection Timing	Reporting Timing
1	Impact Employment Jobs: Total	Total on-going positions filled-by, reserved for, or targeted towards impact workers. Positions originally filled by Impact Workers that have been recategorized as 'Transitioned beyond Impact Employment' via Internal Stability or Internal Advancement (see indicators 9a and 9b) should be subtracted from the calculation of this indicator.	Operational	HR	Annual	Annual
2	Impact Employment Jobs: New	Total new positions created during the period that are reserved for or targeted towards impact workers.	Operational	HR	On-going as Positions Created	Annual
3	Impact Workers Hired: Total	Total new impact workers hired during the period and staying in the role for at least 6 months, whether to an existing or newly created position.	Operational	HR	Annual	Annual, Running Total
3a	<i>Long-term unemployed</i>	Sub-indicator: Total new impact workers hired during the period under the 'long-term unemployed' category. Long-term unemployed is defined as unemployed persons with continuous periods of unemployment extending for one year or longer despite being available and actively looking for work.	<i>Operational</i>	<i>HR</i>	<i>Upon Employment</i>	<i>Annual, Running Total</i>

Indicator Calculation			Data Collection Methodology			
#	Core Indicator	Definition & Calculation	Data Type	Data Source	Collection Timing	Reporting Timing
3b	<i>Living under the poverty line</i>	<p>Sub-indicator: Total new impact workers hired during the period under the 'living under the poverty line' category.</p> <p>The poverty line is the minimum level of income deemed adequate in a particular country and may be determined based on either absolute or relative poverty. Relative poverty is defined relative to the members of a society and, therefore, differs across countries. Absolute poverty refers to a set standard which is consistent over time and between countries. The World Bank sets the absolute international poverty line at \$1.90 a day (in 2011 PPP \$).</p>	<i>Operational</i>	<i>Depends on impact employment Program, may be sensitive to collect</i>	<i>Upon Employment</i>	<i>Annual, Running Total</i>
4	Impact Worker Starting Average Earnings: % of Minimum Wage	The average starting hourly wage across all impact workers hired during the year as a percentage of the locally applicable minimum wage. This indicator is expected to exceed 100% to be considered consistent with the Impact Sourcing Standard.	Operational	HR	Upon Employment	Annual
5	Impact Worker Starting Average Earnings: % of Living Wage	The average starting hourly wage across all impact workers hired during the year as a percentage of the locally applicable living wage.	Operational	HR	Upon Employment	Annual
6	First Time Health Care Benefits Participants: # & %	The total number and percentage of impact workers hired during the year that enrolled in healthcare benefits as a part of their employment package and self-reported this job as their first opportunity to do so.	Operational	HR - Self Report on benefits forms	Upon Employment	Annual, Running Total

Indicator Calculation			Data Collection Methodology			
#	Core Indicator	Definition & Calculation	Data Type	Data Source	Collection Timing	Reporting Timing
7	First Time Retirement Benefits Participants: # & %	The total number and percentage of impact workers hired during the year that enrolled in retirement benefits as a part of their employment package and self-reported this job as their first opportunity to do so.	Operational	HR - Self Report on benefits forms	Upon Employment	Annual, Running Total
8	Average Training Hours: First Year	The average number of training hours across all first-year impact workers. For each Impact Worker completing one year of employment during the period, calculate their total training hours from the date of employment and compute the average.	Operational	HR, Business Segments	On-going as Trainings Occur	Annual, Running Average
9	Impact Workers Transitioned Beyond Impact Employment: Total	The total number of impact workers that achieved internal stability or promotion or chose to pursue external advancement during the course of the year.	Operational	HR	Upon Transition	Annual, Running Total
9a	<i>Impact Workers Transitioned Beyond Impact Employment: Internal Stability</i>	Sub-indicator: The total number of impact workers that passed their 3-Year work anniversary during the year. These workers should be considered 'transitioned'. If they remain in the same position they were originally hired into, their position should be removed from the calculation of Indicator 1) Impact Employment Jobs: Total.	<i>Operational</i>	<i>HR</i>	<i>Upon Transition</i>	<i>Annual, Running Total</i>
9b	<i>Impact Workers Transitioned Beyond Impact Employment: Internal Promotion</i>	Sub-indicator: The total number of impact workers that received a promotion during the year. A promotion should include an increase in salary and a change in job title. These workers should be considered 'transitioned. If their transition does not result in their current position opening up for a new Impact Worker Candidate, that position should be	<i>Operational</i>	<i>HR</i>	<i>Upon Transition</i>	<i>Annual, Running Total</i>

Indicator Calculation			Data Collection Methodology			
#	Core Indicator	Definition & Calculation	Data Type	Data Source	Collection Timing	Reporting Timing
		removed from the calculation of Indicator 1) Impact Employment Jobs: Total.				
9c	<i>Impact Workers Transitioned Beyond Impact Employment: External Advancement</i>	Sub-indicator: The total number of impact workers that chose to leave their position for an external education, employment, or entrepreneurial opportunity.	<i>Operational</i>	<i>HR - Self-report on exit interview</i>	<i>Upon Transition</i>	<i>Annual, Running Total</i>
10	Average Tenure to Internal Promotion: Impact Workers & Total Workforce	For impact workers that 'transitioned' during the period via internal promotion (see 9b), calculate the average amount of time from their original the dates of employment. Compare this with Average Tenure to Internal Advancement of Total Workforce.	Operational	HR	On-going as Transitions Occur	Annual, Running Average
11	Average Tenure to External Advancement: Impact Workers	For impact workers that 'transitioned' during the period via external advancement (see 9c), calculate the average amount of time from their original the dates of employment.	Operational	HR	On-going as Transitions Occur	Annual, Running Average

Indicator Calculation			Data Collection Methodology			
#	Core Indicator	Definition & Calculation	Data Type	Data Source	Collection Timing	Reporting Timing
12	Net Promoter Score	Request impact workers to rate their Impact Employment experience, indicating likelihood of recommending to a friend or colleague (See here for survey question and calculation guidance).	Operational	HR - Survey	First 3 months, 6 months, 1 year	Annual

Appendix 2: Resources

Impact Measurement Best Practice

[The Impact Management Project](#): The Impact Management Project (IMP) is a forum for building global consensus on how to measure, report, compare and improve impact performance. It convenes a Practitioner Community of over 2,000 organizations and facilitates the IMP Structured Network – a collaboration of organizations that coordinates efforts to provide complete standards for impact measurement, management and reporting.

[Theory of Change](#): The Center for Theory of Change is a non-profit organization established to promote quality standards and best practice for the development and implementation of Theory of Change, with a particular focus on its use and application in the areas of international development, sustainability, education, human rights and social change.

[Listen 4 Good](#): Listen4Good (L4G) is a Fund for Shared Insight (Shared Insight) initiative designed to help nonprofits build sustainable, high-quality, client-focused feedback loops that lead to meaningful change. Our goal is to provide widespread access to tools and resources that increase the capacity among organizations to systematically listen to and respond to the people they seek to help.

Existing Metrics Sets

[IRIS Impact Employment Metrics](#): The IRIS is the catalog of generally accepted performance metrics that leading impact investors use to measure the social, environmental, and financial performance of their investments. An IRIS aligned set of Impact Employment focused metrics developed through GIIN and Rockefeller Foundation Working Group, composed of Impact Sourcing Service Providers (Providers), large corporates, and others with experience hiring with good impact employment practices in place.

[Sustainable Development Goals, Targets, and Indicators](#): A shared blueprint for peace and prosperity for people and the planet including 17 Sustainable Development Goals (SDGs), which are an urgent call for action by all countries - developed and developing - in a global partnership. They recognize that ending poverty and other deprivations must go hand-in-hand with strategies that improve health and education, reduce inequality, and spur economic growth – all while tackling climate change and working to preserve our oceans and forests.

Existing Measurement Platforms

[Business Call to Action \(BCtA\) Impact Lab](#): The BCtA Impact Lab is the leading platform for inclusive businesses to better measure and manage their impact. It covers the full impact measurement cycle to support companies in understanding, proving, and improving their impact.

[Aspen Institute Working Metrics](#): Working Metrics is a data analytics platform that lets you improve business decisions and results through deep insights into job quality and diversity.

Global Impact Sourcing Coalition Resources

[Impact Sourcing Standard](#): defines minimum requirements and voluntary best practices for providers of business products and services to demonstrate their commitment to inclusive employment. For the purposes of this Standard, Impact Sourcing is defined as a business practice where a company prioritizes

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suppliers that intentionally hire and provide career development opportunities to people who otherwise have limited prospects for formal employment.

Impact Sourcing Reporting Template: allows service providers that conform to the Impact Sourcing Standard to calculate and measure the number of Impact Workers in their organization. (available to GISC members).

About BSR

A BSR Collaboration

BSR provides executive leadership and secretariat support for GISC. GISC's activities are overseen by the GISC Steering Committee, with active participation of the GISC membership. BSR is a global nonprofit business network and consultancy dedicated to sustainability. BSR Collaborations bring together more than 400 companies, spanning multiple sectors and geographies, to strengthen company performance, improve markets and industries, and contribute to systemic change for a more just and sustainable world. Visit www.bsr.org to learn more.

