



## Case Study at a Glance

Leading BPO-IT services provider collaborates with government entities, NGOs, and others to create a training program for socio-economically disadvantaged youth and builds a whole new recruiting model around the resulting high quality, highly motivated talent pool

# Doing Good Transforms to Doing Well

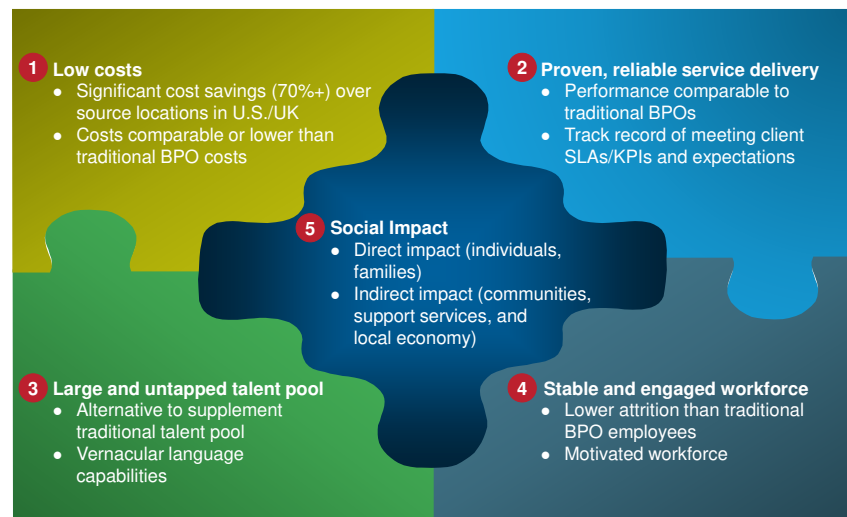
TCS Establishes A Program to Help Socio-Economically Disadvantaged Youth in India and Finds Itself with A New Staffing Model

## Introduction to Impact Sourcing

Impact Sourcing (IS) is a business process service delivery model that provides quality and cost at parity with traditional BPO services, but with optimized enhancements such as:

- A qualified, trained, untapped talent pool with skillsets aligned to match client needs,
- Lower attrition rates and higher corresponding levels of employee engagement, and
- Opportunities to fulfil corporate social responsibility and diversity objectives while operating within a traditional BPO framework

## Value Proposition of Impact Sourcing



This document highlights several elements of impact sourcing value proposition, such as **reliable service delivery, access to large, untapped talent pool, stable and engaged workforce, and social impact.**

## The Backstory

Faced with an increasingly competitive talent market, TCS, a leading India-based BPO-IT services provider with clients around the globe, began seeking recruitment solutions beyond its standard model. Among many options, the TCS team explored the concept of hiring talented people from underprivileged backgrounds, given its knowledge of the sheer size and availability of this potential talent pool.

TCS established its Affirmative Action program, both to address its own challenges and to fulfill its goal to promote education and impart training to disadvantaged youth, particularly those from scheduled castes/tribes (two groups of historically disadvantaged people in India).

## Impact Sourcing: A Little Help Goes a Long Way

India ranks among the countries with the largest pool of high potential unemployed youth in the world. The TCS team believed that these youths would be considerably more employable when provided with English-language and basic computer skills, and once trained and employed, would be dedicated to their jobs.

TCS determined that collaborating with Union and State-level government associations and other NGOs to develop training presented the best opportunity to develop an effective and impactful employment-preparation program.

## English Lab: A Collaborative Effort

TCS collaborated with a wide variety of partners to execute its plans to train and hire from socially disadvantaged groups. TCS designed the English Lab which was deployed in collaboration with Government / Semi-Government Institutions that helped to mobilize and train target youth groups; various NGO's; research institutes such as Search Cell; Local employment exchanges at various locations, and other educational institutions with complementary missions.

The English Lab training program consists of 80-100 hours of training on English communication, confidence building, analytical thinking, etiquette, and computer skills.

**As of June 2014, more than 35,000 people in 160 locations have completed English Lab training, about 30% of whom have belonged to scheduled castes/tribes.**

English Lab graduates' employment opportunities are not limited to TCS. Graduates who are not hired by TCS directly benefit from Affirmative Action program through the improved skills and increased employability afforded by the training.

Expanding on this success, TCS has collaborated with several government and non-government organizations to offer focused training programs in locations all over India.

"35,560 youth (14,366 belonging to scheduled castes/tribes) have been trained under the Affirmative Action program."

"The key objective of the program is to improve employability of these disadvantaged youth and facilitate hiring from these groups. Once a candidate is hired, he is treated same as other traditional workers."

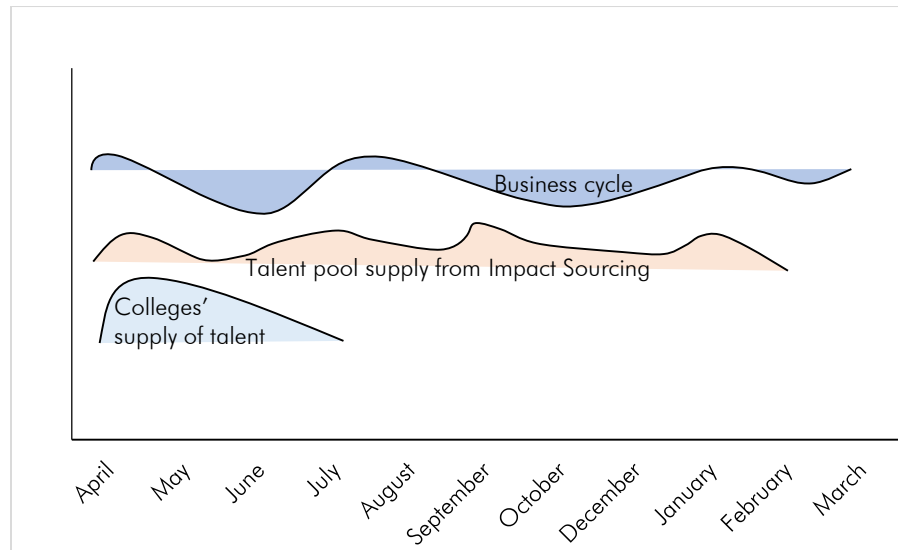
## A New Recruiting Model

One of the unexpected benefits of the Affirmative Action program is that it has enabled TCS to extend its entry-level recruiting throughout the year. Prior to creating the program, TCS' entry-level hiring was generally limited to the five-month campus-hiring season. With the establishment of the Affirmative Action program, impact sourcing has become TCS' primary source of entry-level talent during non-campus-hiring season.

### Exhibit 1

#### TCS' talent sourcing model via impact sourcing

Source: TCS



## Impact Worker Performance: Same Quality, Higher Commitment

Though TCS does not measure impact worker performance separately, overall **performance has remained unchanged following the influx of impact workers** into TCS' employment ranks.

TCS has noted, however, that impact workers exhibit higher levels of motivation, are more committed to delivering high quality work, and have longer tenures than non-impact workers. **Attrition among impact workers at TCS is 20-35% lower than that of traditional workers**, which TCS believes could translate into significant long-term cost savings and justify the up-front training costs for these workers.

“We have been hiring impact workers for over four years now and have no apprehension around performance capabilities of properly trained workers.”

## The Outcome: Even More than They Had Hoped For

What started as a Corporate Social Responsibility (CSR) initiative has now transformed into a major talent source for TCS. The **Affirmative Action program not only provided a means to elevate disadvantaged youth to higher socio-economic well-being**, but it also provided TCS with a **more motivated, committed staff**, curbing overall attrition and increasing operational efficiencies, which in turn translated to bottom line growth.

TCS plans to expand its program, training about 15,000 youth across 2014 and 2015, reaching a total of about 50,000 people trained by FY2015. **TCS estimates that the potential benefits from difference in recruitment and salary costs for impact workers (for its target hiring from these groups during 2015-2016) will be about 8 times the amount invested in training these impact workers.**

## About TCS

Tata Consultancy Services is an IT services, consulting and business solutions organization. TCS offers a consulting-led, integrated portfolio of IT and IT-enabled infrastructure, engineering and assurance services. This is delivered through its unique Global Network Delivery Model™, recognized as the benchmark of excellence in software development. A part of the Tata Group, India's largest industrial conglomerate, TCS has a global footprint and is listed on the National Stock Exchange and Bombay Stock Exchange in India.

## About This Joint Project between Everest Group and The Rockefeller Foundation

The Rockefeller Foundation has funded Everest Group to conduct an in-depth assessment of how the growth of impact sourcing can be accelerated using a fact-based business case that substantiates benefits of the IS model. This assessment includes sizing the market, profiling the landscape, detailing the business case, and creating case studies to raise awareness of IS in the enterprise buyer and BPO communities. Establishing the business case for IS will contribute to the growth of the sector, which means that more high potential but disadvantaged youth will have the opportunity for employment, improving their lives and the lives of their families and communities.

## 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.

## About Everest Group

Everest Group is an advisor to business leaders on the next generation of global services with a worldwide reputation for helping Global 1000 firms dramatically improve their performance by optimizing their back- and middle-office business services. With a fact-based approach driving outcomes, Everest Group counsels organizations with complex challenges related to the use and delivery of global services in their pursuits to balance short-term needs with long-term goals. Through its practical consulting, original research and industry resource services, Everest Group helps clients maximize value from delivery strategies, talent and sourcing models, technologies and management approaches. Established in 1991, Everest Group serves users of global services, providers of services, country organizations and private equity firms, in six continents across all industry categories. For more information, please visit [www.everestgrp.com](http://www.everestgrp.com) and [research.everestgrp.com](http://research.everestgrp.com).