



Impact Sourcing Definition

Impact Sourcing (IS) is a business process service delivery model that provides employment opportunities to previously unemployed youth who have not been meaningfully engaged in the formal economy



Impact Sourcing Worker Characteristics

- First time job seekers, unemployed youth
- Economically disadvantaged; located in low income areas or areas with limited opportunities
- Socially disadvantaged; minority groups (cultural, ethnic, regional, religious)
- Differently-abled or diagnosed with health-related disadvantages limiting their opportunities to find formal employment

Business Case: Impact Sourcing in South Africa



access to a large, untapped talent pool



Performance comparable with traditional workers



Stable workforce



Cost savings compared to traditional workers



Competitive advantage for business in South Africa



Social impact

Building a Stable and Sustainable Workforce Through Impact Sourcing

The contact center division of a leading South Africa-based bank experienced better adherence, lower absenteeism, and significantly lower attrition among IS workers versus their traditional workforce

The Backstory

A leading South Africa-based bank started engaging IS workers in its contact center operations with objective to improve employability by providing skills development training to IS workers, however, the bank soon realized that **impact sourcing offers additional business benefits** as well.

Impact sourcing not only helped the bank to build a stable, highly motivated workforce, but also achieve cost savings due to lower attrition. Consequently, impact sourcing has become an **integral component of bank's talent strategy**.

Dual Training Program for Well-rounded Skills Development

The bank has an ongoing impact sourcing program that engages IS workers with the help of a specialist training academy and deploys them in a 12-month learnership¹ program. Following completion of the learnership program, the bank absorbs a number of IS workers into its permanent workforce.

Work readiness training by specialist training academy

Prior to beginning the learnership program with the bank, the majority of IS workers do not have any work experience. The bank realized that providing the right kind of **bridge program** is important for engaging them in a meaningful manner. The bank tasked Harambee Youth Employment Accelerator, a specialized training academy, to identify IS workers suitable for learnership at bank's contact center division.

Harambee also provides a six- to eight-week work readiness training program for these IS workers. This training comprises technical skills (e.g., computer skills, data entry) and soft skills (e.g., behavior, communication). Over the last few years, **the bank has sourced ~300 IS workers from Harambee**.

1: A structured learning program, in a workplace set-up, which focuses on providing occupational or professional knowledge, mentoring, and coaching to disadvantaged individuals. These programs are formally assessed by a statutory occupational or professional body (e.g., Services SETA, FASSET)

"We went through a learning curve ourselves as our trainers / team leads developed better understanding of the needs and capabilities of IS workers. We feel we are much better equipped to train them than we were two years back. We have learned from our mistakes over the years."

"The success of the impact sourcing program is dependent on the extensiveness of the training provided to prepare these workers. This model [impact sourcing] is difficult, but sustainable, and offers us several benefits at the end of the day."

"IS workers have helped bring about a positive change in the overall culture of the organization. They take their jobs very seriously and their enthusiasm is unmatched. Plus they stay longer with us, in fact they hardly ever leave. Combine all this and you get benefits from improvement in work culture that you can't measure."

"Initially we used to leverage IS workers for customer service only. Now, we have deployed them for collections work. Their performance is comparable to regular workers"

A 12-Month In-house Learnership Program

The bank engages IS workers sourced from Harambee in an **extensive in-house learnership program to help them develop robust industry-specific skills**. The 12-month program includes dedicated classroom training during first 8-10 weeks, after which the IS workers are deployed at entry-level positions within the bank's contact center operations.

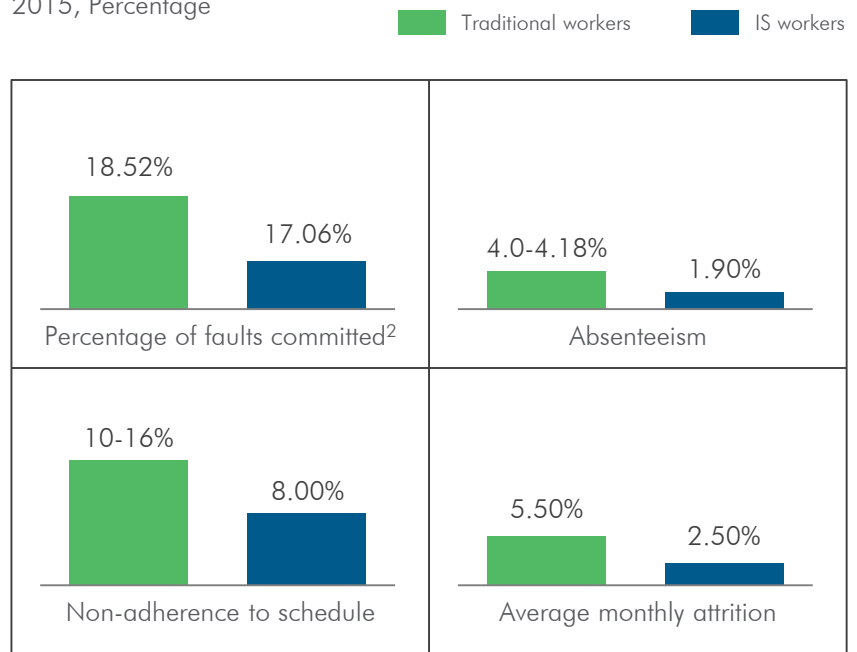
During the following 9-10 months, these workers get exposure across a variety of customer service roles within the bank. The bank also provides two to three days of additional training to these employees every month to ensure well-rounded growth.

Performance is Strong

To test the success of its impact sourcing program, the bank conducted focused group tests where they closely monitored IS worker performance and compared that performance with work done by traditional workers recruited during the same time period.

Based on results of this assessment, **the bank established that IS workers deliver performance similar to traditional workers across various KPIs** (see charts below). In fact, IS workers exhibited exemplary behavior, especially on aspects such as timeliness, adherence to schedule, and employment longevity.

Comparison of performance of IS workers and traditional workers 2015, Percentage



2: Represents total number of faults (i.e., total percentage of faults in QA process, compliance, and operational faults) committed by workers

Additional Benefits

Significantly lower attrition among IS workers also translated into cost savings for the bank. However, the bank believes that the **biggest benefit** of impact sourcing is the **positive impact it has had on the overall work culture of its contact center operations**.

The behavior exhibited by IS workers on aspects such as timeliness, adherence to schedule, and employment longevity influenced the overall work environment within the organization. This influence not only served as a motivation for other (traditional) workers, but also reflected in better performance, which contributed to improvement in the overall customer experience.

While it is difficult to quantify the impact of these benefits, the bank believes it is significant enough to drive the business case for hiring IS workers.

Impact Sourcing is Not Without its Challenges

Given their backgrounds, the bank encountered some minor, but unique, issues associated with the IS workers.

For example, the bank realized that if these workers have to take more than two taxis to get to work, there is a high chance that they will quit. To address this, the bank worked with the training academy to focus on hiring IS workers who reside within a specific distance from the bank's contact center.

Similarly, the bank realized that, for many, this is their first job, and as a result, they do not have sufficient funds to support their basic living expenses during the first month of employment. As the bank's policy is to pay salary/stipend at the end of the month, it worked out an arrangement with the partner training academy under which the training academy pays a partial salary/stipend to IS workers in the beginning of the month, which is later reimbursed by the bank.

These ad-hoc solutions played a critical role in helping IS workers settle into the job.

Committed to Intentional IS Worker Hiring

Convinced by the capabilities and performance of IS workers, **the bank absorbed ~65% of the learners (IS workers) into its permanent workforce**. The contact center team also helps IS workers apply for jobs across other divisions within the bank.

The bank remains committed to continuing its learnership program and expanding intentional IS worker hiring going forward.

"We certainly want to absorb more IS workers into our permanent workforce. We are also helping them to find positions with other divisions within our organization as well."

About This Joint Project between Everest Group and The Rockefeller Foundation

The Rockefeller Foundation has funded Everest Group to refresh the business case for impact sourcing originally created by Everest Group in 2014. The refresh is focused on South Africa but the elements are applicable globally. The assessment includes fact-based substantiation of the business case for the IS model to accelerate adoption of impact sourcing. Everest Group is also creating case studies to raise awareness of IS in enterprise buyer and BPO communities. Increase in IS adoption is expected to create employment opportunities for currently unemployed, but high potential youth, 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.