

7 tips on how to become more socially responsible in the outsourcing sector

Last updated:

26 June 2023

As a socially responsible exporter, you take responsibility for your impact on customers, employees, shareholders, and communities in all aspects of your operations. In return, your company will run more smoothly, and you can use your status as a socially responsible supplier as a Unique Selling Point (USP). Being a socially responsible supplier is also becoming an important buyer requirement for many European companies.

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1. Being a socially responsible ITO or BPO provider brings several opportunities

Social responsibility is becoming very important in the European IT outsourcing (ITO) and business process outsourcing (BPO) sector. Buyers increasingly prefer to do business with suppliers that have some form of Corporate Social Responsibility (CSR) policy. It is also good for your company and good for your employees.

In this study, we emphasise the importance of doing more than just respecting regular labour laws. We encourage you to make an extra effort to become an even more socially responsible exporter.

Why is this important

It benefits your company, your country, and its people

CSR is very important for your business. [Companies with a socially responsible strategy generate up to 30% more revenue per employee and more profits than their competitors.](#) There is no exact data on how many European companies have a social responsibility strategy, but market experts agree that more than half of them do. And these companies often expect the companies they do business with to have a social responsibility strategy too.

The greatest benefits for your company will be:

- Higher productivity and product quality, fewer work accidents, and less sick leave, because of better health and safety conditions;
- Keeping your talented workers because you are a good employer;

- A boost to your company's image and brand;
- Increased customer retention and loyalty;
- Increased probability that you will become the preferred supplier.

Buyers increasingly require it

European buyers increasingly require their suppliers to be socially responsible. There are currently many CSR-related requirements issued by European governments (you can read more about this below). These requirements are gradually being adopted by more and more enterprises in Europe. Social standards are becoming an important buyer requirement for both large enterprises and SMEs, so you need to be prepared.

Your employees desire it

The governments of European countries and the management of European companies are not the only people asking for socially responsible suppliers. [Younger workers \(under 40 years old\) are also increasingly demanding a more social workplace and more social suppliers.](#) They are putting pressure on their employers to become more socially responsible.

It can become your USP

Becoming a more socially responsible supplier can become your USP. It will give you a competitive advantage over other suppliers who have not made being socially responsible a priority.

This USP will bring you two benefits:

- European buyers find social responsibility increasingly important.
- Being a socially responsible employer will attract more and better talent.

This USP will bring you the following opportunities:

- Providing a safer and healthier work environment;
- Becoming a more inclusive workplace;
- Taking better care of the mental and physical health of your employees;
- Obtaining new certification (such as B Corp Certification or ISO26000);
- Keeping informed of new legislation and other requirements in the sector (such as Human Rights Due Diligence).

Example: Techno Brain improved branding via their Global Impact Sourcing Award

[Techno Brain](#) is a BPO / ITES (IT-enabled services) provider, offering solutions for call centre management, back-office services, knowledge process management, digital media services, and shared services. The company has its headquarters in Kenya and is also present in Uganda, Malawi, Tanzania, and Zambia.

This company is a real [impact-sourcing frontrunner](#). Their mission is "PRIDE": Poverty Reduction through Information and Digital Employment. The company provides training and work for underprivileged people, having employed more than 400 people from challenged communities. 42% of Techno Brain's employees are women, who can attend specialised support programmes such as development meetings every month. Techno Brain won the [2021 Global Impact Sourcing Award](#).

Tips:

Decide which opportunities are realistic for your service and will have the most impact.

Use your socially responsible status as a USP. Give it a prominent place on your website and on your social channels. Look at examples of companies that are already doing this successfully, such as the channels mentioned above and [Techno Brain's YouTube channel](#).

2. Provide a safe and healthy work environment

The World Health Organisation describes a healthy workplace as a place where workers and managers collaborate to continually improve the health, safety, and wellbeing of all workers. By doing this, they also sustain the productivity of their business.

Providing a safe and healthy workplace benefits not only employees but also the employer and the business in general.

On average, people spend about one third of their lives at work. IT and Business Process jobs are mostly desk-bound, which means a lot of health benefits can be obtained by improving the circumstances around the desks.

- Encourage your employees to stay fit and healthy by [encouraging walking meetings, mini breaks, and stretching during the day](#).
- Provide the right office equipment for your employees. Items to consider: ergonomic advice, adjustable desks and monitors, noise-cancelling headphones, and good lighting.
- Make sure your office has a pleasant climate - not too hot, too cold, not too humid, not too dry.
- Look at how your employees travel to work. Can you do something to make their travel more comfortable? Examples to consider are office-wide carpools, offering a shuttle service from a key transport hub, enabling working from home, and encouraging employees to cycle to work when possible.
- A good diet is the key to a healthy body and mind. Look into the options of providing healthy lunches or snacks at the office. This is even more beneficial if you employ people who have a more challenging home situation.
- Do not forget to [create a positive work atmosphere](#) by doing something fun together.

Tips:

Read more about [healthy workplace environments and practical tips](#) on the website of the government of South Australia. Here, you will also find tips for small businesses and other tools and resources, such as this [step by step guide to create a healthy workplace](#). Read these articles to see which tips would benefit your office most. Do your employees often talk with their phone held between their ear and shoulder? Consider buying them a headset. Employees who sit behind a computer for many hours benefit from good posture. Printing out tips on how to improve posture and hanging these prints across the office might help to remind them to maintain good posture throughout the day.

Think about what you can do to [avoid workplace fatigue](#) among your employees.

Read more about [mental health in the workplace](#), for example on the website of the World Health Organisation.

If you are a contact centre employer, there are specific tips on [ergonomic design for contact centre workforce](#).

3. Be a diverse and social employer

Diversity and inclusivity in the workplace should be a priority for every company. Building teams from varying backgrounds not only [improves the employee experience, but it also enhances productivity and the decision-making process](#). Also, European buyers find it increasingly important that their ITO or BPO suppliers are making an effort towards diversity and social inclusion.

Diversity applies to the male/female ratio in your company but also to ethnicity, nationality, age, marital status, sexual orientation, union membership, political affiliation, and physical or mental conditions that make it harder for some people to find employment.

The first steps to becoming a more diverse and socially inclusive company are to acknowledge that you can

improve and to then learn about how to improve.

Implement the following strategies to make your company more diverse and inclusive:

- Arrange for everyone in your company to participate in a diversity and inclusion training programme;
- Be prepared to listen to feedback from your employees;
- Adopt inclusive hiring practices;
- Ensure fair pay for all employees;
- Give all your employees access to training;
- Provide equal promotion opportunities;
- Recognise the holidays of each religion and culture present in your workforce.

Gender inclusivity

To learn more about gender-based analysis (GBA) and get a certification in it, you can take the [free course that is provided by the Canadian government](#). This course is for government employees, but it is also very helpful for people in non-government organisations. Once you have completed this course, you will be able to:

- Define the key concepts of GBA and apply these concepts and processes;
- Recognise how various factors can influence individual and community experiences;
- Identify how GBA can enhance the responsiveness, effectiveness, and outcomes in work settings.

You can use [inclusive hiring practises](#) when hiring new employees. For example:

- Write inclusive job descriptions;
- Make sure the career page on your website is accessible to everyone;
- Be aware of your own prejudices;
- Develop inclusive employer branding;
- Set an inclusivity goal for your company and do your best to meet it.

Example: Hubspot

[Hubspot](#) is an example of a company that has an inclusive webpage for hiring new employees and an inclusive job description. [Their career page](#) is designed to be inclusive, with a clear commitment to diversity, equity, and inclusion. The page features information about their diversity, equity, and inclusion initiatives, as well as a link to their Diversity, Inclusion, and Belonging Report.

HubSpot's job postings are written in inclusive language, avoiding gendered language and focusing on the skills and qualifications required for the job. They also include information about the company culture and values, as well as any specific diversity and inclusion initiatives relevant to the role. Additionally, HubSpot encourages candidates to include their pronouns in their application and offers them the option to share their diversity information voluntarily.

Tips:

For more information on gender inclusion, read the [Gender Guide](#) that is provided by the Netherlands Enterprise Agency. Consider applying the suggested gender indicators (ratios) in internal and/or external reporting to get a better understanding of how gender inclusive you are and to find out how you can improve.

Check out the [Women's Economic Empowerment \(WEE\) gateway](#) by the Donor Committee for Enterprise Development (DCEd).

There are several LinkedIn Groups dedicated to helping companies become more socially responsible, such as the [Partners in Sustainability Development](#), by the Netherlands Ministry of Foreign Affairs. This group includes people from many organisations who can give you tips. Do not be afraid to post and ask questions.

4. Keep informed of the developments around human rights due diligence legislation.

Human Rights Due Diligence (HRDD) is the process of implementing procedures that will reduce the risk your company has of negatively impacting human rights and working conditions. HRDD is becoming increasingly important in many European countries.

Most requirements that apply within the European Union (EU) also apply to providers outside the EU who want to sell their products or services within the EU. This means that if you want to export to the EU, these rules also apply to you.

HRDD in the ITO and BPO sector

When talking about human rights in the workplace, most people think about physical labour, but human rights are equally important in the outsourcing sector. Employees in the ITO or BPO sector face similar issues to many other workers (payment, working hours, repetitive tasks, pension saving, etcetera) and also face some specific ITO and BPO-related human rights issues, such as:

- Stress related to [treating workers like machines](#).
- [Exposure to graphic and disturbing images](#) on a daily basis, in the case of some moderators of social networks.
- Customer aggression when resolving difficult requests. In customer service, chatbots and self-service customer contact channels are increasingly used to resolve a lot of the easier customer requests. The customer contact centre employees then have to deal with the more difficult requests.

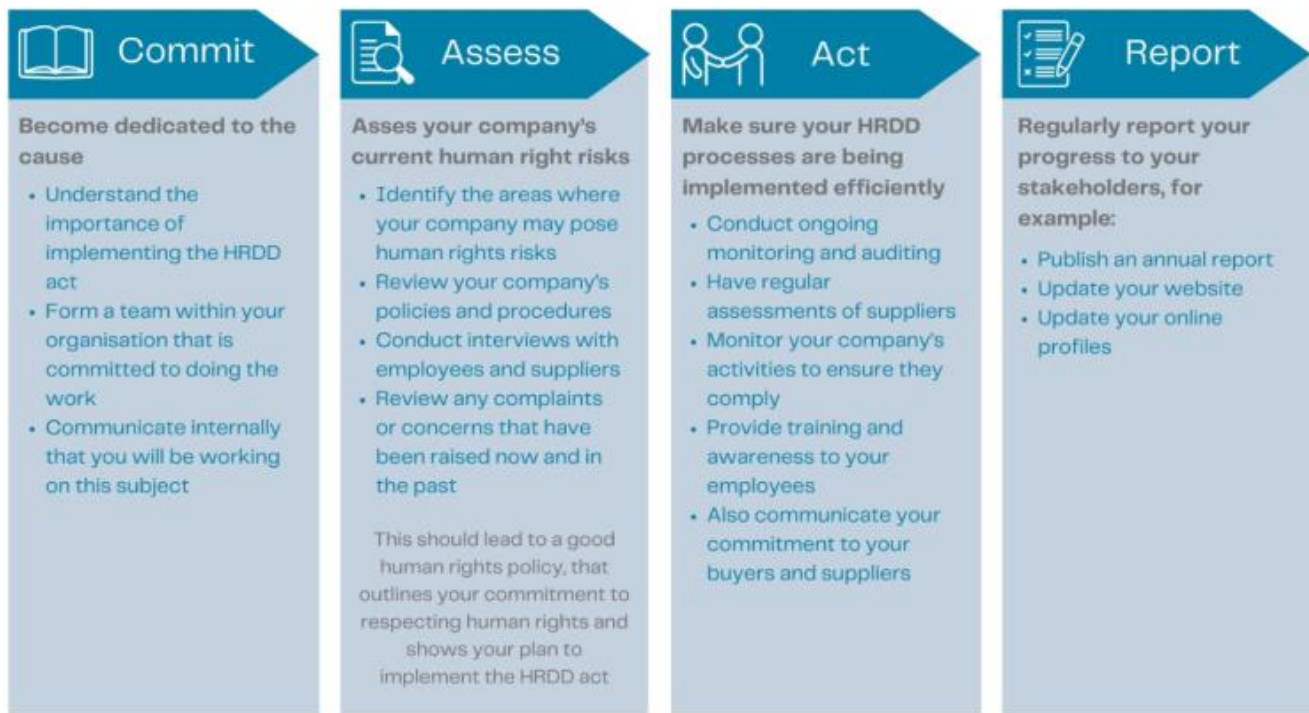
HRDD in Europe

The governments of many European countries are introducing regulations to ensure that companies respect human rights. An example is “[Åpenhetsloven](#)” in Norway. [The German parliament also passed a mandatory human rights due diligence law](#) for German businesses in June 2021.

What you can do

Creating a human rights policy is still new to most companies. [Position Green has developed a HRDD guide](#) that explains how you can set up your own HRDD process.

Figure 1: Human Rights Due Diligence Process



Other forms of legislation

Sustainable Public Procurement (SPP)

[Sustainable Public Procurement](#) is becoming the norm in many European countries. SPP is an instrument used by governments to tackle abuses involving people and the environment in international chains. This means that European governments increasingly ask their suppliers to be socially responsible and green.

[The Netherlands already has such a system in place](#), as do Norway and many other European countries. The Dutch government uses a points-based system for public tenders in which sustainability plays an important role. Many more countries are expected to follow in the next 5 years.

5. Obtain relevant voluntary social certification

ISO 26000

The [ISO 26000](#) standard provides guidance on CSR. For small ITO and BPO providers, the most relevant and practical aspects of this standard are labour practices, fair operating practices and community involvement.

B Corp certification

[B Corp Certification](#) is a private certification for for-profit organisations. It certifies your social and environmental performance. Buyers and suppliers in the ITO and BPO sector have confirmed that obtaining the B Corp certification has opened up markets for them.

Quote

“Certification makes a lot of sense. Getting our B Corp Certification has helped us break into some markets.”

Christian Vezjak, social impact entrepreneur and CEO and co-founder of the Talent Acceleration Platform, a Dutch-Palestinian edtech and career acceleration platform.

UN Global Compact:

UN Global Compact is the world's largest corporate sustainability initiative. Their goal is to align the strategies of larger companies with universal principles on human rights, labour, environment, and anti-corruption. They target large companies, but their website can still serve as an inspiration. They have a [section dedicated to the social aspects of the compact](#). You can also check out their page on local initiatives.

Tips:

For information about the gender-related aspects of HRDD, check out the [Gender-Responsive Due Diligence Platform](#). They provide case studies, workshops, and other resources relating to this subject.

If you are preparing a business deal, you can download a [free index](#) that contains a summary of the documents and information required for due diligence.

Consider obtaining relevant certification. Consult the [ITC Standards Map](#) for a full overview of certification schemes addressing sustainability in the outsourcing sector.

Example: Sama showing more engaged employees

[Sama](#) offers data annotation services for AI and machine learning (ML) models, as well as data curation and an integrated ML-powered platform. Its main offices are in East Africa (Kenya, Uganda). Sama is one of the first AI companies to get B Corp Certification, focusing on both social and environmental responsibility. The company offers historically marginalised groups in East Africa (especially women and young people living in poverty) dignified digital work. They provide employees with training, on-the-job skill-building, and scholarship programmes.

The company has a clear approach towards its social impact. As an early adopter of the Global Impact Sourcing Coalition's [Impact Sourcing Standard](#), Sama works with requirements that help low-income jobseekers to gain work and advance their careers. When possible, they compare their progress to global standards from the United Nations (UN) and the International Labour Organization. They also focus on the UN [Sustainable Development Goals](#) on equality and human-centred employment, as well as climate action. [Employees working for Sama appreciate this](#).

To manage the risks in their supply chain, Sama has a [Supplier Code of Conduct](#). The company's [Leila Janah Foundation](#) provides funding and mentorship to small social enterprises in Kenya and Uganda.^[BA(9)]

6. Practice supply chain responsibility

As a socially responsible supplier, it is your task to take care of your employees as outlined in the tip 'be a diverse and social supplier'. You are also responsible for choosing which companies to work with. Consider preferring to work with companies that have a CSR policy and that practice social responsibility. The image of your suppliers also influences the image buyers will have of you.

ITO and BPO products are not tangible. Therefore, your supply chain is limited to:

- The products you buy for your company (devices, food, cleaning materials, printing paper, etc.);
- The people who work for you (both as your employees and through the companies you work with).

When targeting potential clients, look at their websites to see if they have a CSR policy and/or write anything about social responsibility. When contacting them for a potential sale, you can refer to their policy and add that your company also finds social responsibility important. You already have something in common.

Tips:

Write your own supplier code of conduct. To manage the risks in their supply chain, Sama has a [Supplier Code of Conduct](#). You can use this as an inspiration.

Consider donating your old devices to community projects.

7. Become an impact sourcing supplier

You can make an even greater social impact by becoming an [impact sourcing](#) supplier. There is a difference between impact sourcing suppliers and socially responsible suppliers. All impact sourcing suppliers are socially responsible suppliers, but not the other way around.

As an impact sourcing supplier, you go beyond the standard socially responsible supplier status. You look further than your own business. You aim to improve the lives of people, families, and communities by hiring and training people with limited employment opportunities.

Be aware that sourcing and training these people requires upfront investment and effort from you as their employer. But once you have tackled this challenge and set up an effective recruitment and training strategy, you will enjoy the benefits of:

- A larger talent pool in a competitive market;
- A loyal and motivated workforce;
- A competitive advantage in finding social buyers;
- A positive social impact on your employees and your community.

Your buyers will benefit from:

- Better supplier performance;
- A stable/reliable supplier workforce;
- The ability to meet inclusion and diversity goals;
- Making a positive social impact.

Example: Foothill Technology Solutions

[Foothill Technology Solutions](#) has been mentioned by various people in the IT industry as a good example of a company that puts a lot of effort into its employees' wellbeing. Diversity and social inclusion are important to them. They are based in the Palestinian Territories. They support universities and startups in the Palestinian Territories by offering programmes and initiatives such as internships, mentorship programmes, workshops, and part-time employment. In this way, they foster local talent and create career opportunities.

They write: "our core values are to provide employment equality, excellent working conditions, stock options, and the right career path for our employees to develop and grow."

Other good examples of impact sourcing providers are the above-mentioned [Techno Brain](#) and [Sama](#), but also [Teleperformance](#) from Colombia. They have implemented several initiatives to hire and retain refugees displaced by the crisis in neighbouring country Venezuela.

Tips:

Start an impact sourcing pilot project to see how it benefits your business and community. Ask local business support organisations how to begin. Look for support from local impact sourcing initiatives, work readiness programmes, and non-profit training institutes such as South Africa's Maharishi Institute.

For more examples on how companies have succeeded in becoming impact sourcing supplier, [look at the winners of the Global Impact Sourcing Awards](#).

If you want to [obtain the official Impact Sourcing Certification](#), contact the GISC. They can assess and advise your company in the steps to take.

Consider profiling yourself as an impact sourcing provider or a fair-trade ITO or BPO provider. See if you [meet the requirements](#) to become an impact sourcing supplier. For more information about fair-trade software, see the [Fair Trade Software Foundation](#) and Web Essentials' video on [what fair-trade software development means](#).

Make an impact in your community by offering software coding training to groups in your community such as school children, dropouts or other people that are interested.

Example: Tunga increased funding because of their socially responsible practices

[Tunga](#) is an IT staff augmentation firm, connecting African software developers to international teams and projects. They host a platform with a talent pool of more than 1000 experienced developers. The company's core team is based in Uganda, and all their developers come from Africa. Most of them come from Nigeria, Uganda, Kenya, and Egypt, but some also come from countries such as Ghana and Tanzania.

Figure X: Tunga - Unleashing Africa's tech talent

Tunga is committed to impact sourcing. Their way of working includes deploying workers from low-employment areas into business processes worldwide, via outsourcing or remote/virtual teams. Their aim is to give these people access to higher-paid work and new income opportunities. With this approach, Tunga helps talented African youths access tech jobs so that they can become independent. The company offers them guidance on topics ranging from building technical and soft skills to matching and onboarding, and on-the-job coaching and training.

This study was carried out on behalf of CBI by [Globally Cool B.V.](#) in collaboration with Laszlo Klucs and Christian Vezjak.

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