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Does Engaging Commercial Customers in a Shared Social Mission Improve Impact Sourcing Service Provider (ISSP) Success? A Critically Appraised Topic

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Cover Page Footnote
None

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EDITORIAL NOTE

In this article, “Does Engaging Commercial Customers in a Shared Social Mission Improve Impact Sourcing Service Provider (ISSP) Success?”, author Michael Corbett critically examines the science behind the practice of engaging commercial customers in the social mission of social enterprises. The author takes a supply chain perspective. This research is particularly important for non-governmental and charitable organizations in an era where commercial organizations attach real value to their corporate responsibility for societal outcomes; sometimes achieving rewards from environmental, social and governance (ESG) investors. Corbett reports evidence in the research literature that such engagements do, in fact, strengthen the relationship between the companies and contributes positively to the success of a social enterprise. Corbett’s article goes further to specify proven techniques in the research: building a foundation with local and regional customers and suppliers; and building strong relations with professional and industry associations, consultants, and economic development agencies.

Does Engaging Commercial Customers in a Shared Social Mission Improve Impact Sourcing Service Provider (ISSP) Success?
A Critically Appraised Topic

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ABSTRACT

This topic paper examines whether engaging commercial customers through a shared social mission improves the success of social enterprises. It is based on an examination of a subset of the information technology and business process outsourcing (ITO/BPO) industries, known as impact sourcing service providers (ISSPs). ISSPs are social enterprises – B2R Technologies and Digital Divide Data are two examples – that provide call center, transaction processing, data entry, and other technology-enabled services for commercial customers from remote locations around the globe. What is unique about ISSPs is that they do this with a social mission of creating jobs and economic development in disadvantaged and marginalized communities. The analysis presented in this paper is based on an examination of academic research on ISSPs published in peer-reviewed journals from 2013 through 2022. The findings are that ISSPs that engage commercial customers through a shared social mission develop stronger bonds at both the personal and organizational levels. These bonds, in turn, strengthen the overall relationship between the companies and improve the ISSP’s success. Although specific to the case of ISSPs and the outsourcing industry, these findings offer lessons that can inform other industries and other types of relationships between commercial and social enterprises.
**RESEARCH QUESTION**

For social enterprises, success is largely measured by the organization’s ability to advance an intended social mission. For ISSPs, the social mission is job creation and economic development in marginalized communities. The resulting review question for this topic paper is: *Does engaging commercial customers through a shared social mission improve the success of ISSPs?*

**Table 1: PICOC Framework**

<table>
<thead>
<tr>
<th>PICOC Element</th>
<th>Description</th>
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<tbody>
<tr>
<td>Problem</td>
<td>Social enterprise success</td>
</tr>
<tr>
<td>Intervention</td>
<td>Engaging commercial customers through a shared social mission</td>
</tr>
<tr>
<td>Comparison</td>
<td>Not engaging commercial customers through a shared social mission</td>
</tr>
<tr>
<td>Outcome</td>
<td>Improved social enterprise success</td>
</tr>
<tr>
<td>Context</td>
<td>Impact sourcing service providers (ISSPs)</td>
</tr>
</tbody>
</table>

**BACKGROUND**

Marginalized communities around the world would benefit from access to jobs being created in today’s global digital economy. Information technology outsourcing (ITO) and business process outsourcing (BPO) service providers, like IBM, Accenture, Infosys, and thousands of other companies around the world, have created millions of jobs as they build global workforces in support of their customers. From remote centers, these companies provide a wide range of technology-enabled jobs, including software development and maintenance, call center operations, transaction processing, data entry, and other business services.

The term impact sourcing (IS) refers to leveraging this global digital economy to create jobs for individuals with otherwise limited opportunity for sustainable employment. New entrants and established service providers that operate with this social mission in mind are referred to as impact sourcing service providers (ISSPs) (Monitor Group, 2011). For example, Digital Divide Data was founded in 2001, and 87 percent of its employees are underserved youths in Kenya, Laos, and Cambodia. These employees provide remote digitally enabled services for regional and international customers (Digital Divide Data, 2022).

Early estimates were that more than half a million IS jobs existed in 2012 and that the number could grow to as much as 2.9 million by 2020 (Avasant, 2012). However, anecdotal data and recent research suggest that only a fraction of the anticipated jobs have materialized (Everest, 2022; Madon & Ranjini, 2019). Researchers consistently report a number of factors impeding job creation in marginalized communities, a key measure of success for ISSPs. The factors most frequently mentioned include conflicts between the commercial needs of companies and the social norms in the marginalized communities (Heeks et al., 2020; Malik & Nicholson, 2020); inadequate local infrastructure (Madon & Ranjini, 2019; Sandeep & Ravishankar, 2015); ineffective government support (Heeks et al., 2020; Madon & Ranjini, 2019; Manning, 2022); and challenges in attracting large commercial customer contracts (Accenture, 2012; Kannotha et al., 2018; Manning et al., 2017).

Although all these issues are important, perhaps the most essential is attracting large commercial customer support if ISSPs want to expand beyond niche market opportunities. Given the increased focus in corporations on corporate social responsibility (CSR) and related social programs (Rahdari et al., 2016), a natural assumption is that this task would be relatively easy. However, ISSPs have discovered that it is not so simple. A review of the available academic literature indicates that connecting an ISSP’s social mission to the social interests of its customers can be done but is more difficult than initially thought (Kannotha et al., 2018; Manning, 2022; Manning et al., 2017). This topic paper offers actionable recommendations that ISSPs can use to improve their social impact and overall success.

**SEARCH STRATEGY AND RESULTS**

A literature review was conducted using the ABI/INFORM and Scopus databases. ABI/INFORM is a collection of thousands of journals, dissertations, and key business and economics periodicals. In this database, conducting a full text search of the keyword, “impact sourcing,” and limiting the results to peer-reviewed articles resulted in 63 articles. The second database, Scopus, is a curated research database with content from more than 25,000 active titles and 7,000 publishers. In this case, a keyword search of “impact sourcing” limited to title, abstract, and keywords identified another 29 articles, for a total of 92. After reviewing these articles to identify common terms, I conducted a second round of database searches. Using the same databases and the same selection limitations, I searched the keywords, “global supply chain” and “social,” where the terms “information technology,” “business process,” or “outsourcing” appeared within ten words. This search added 53 candidates, for a preliminary list of 145 articles.

Eliminating duplicates and off-topic articles resulted in 50 remaining articles. Next, taking into account that the first peer-reviewed paper on IS was published in 2013, I removed 17 earlier articles from consideration. In addition, I excluded 11 results that were not a valid source (e.g., a book chapter or teaching case study) and 9 that were not primary research. Thirteen articles remained. Of these, five reported findings specific to the alignment of the ISSP’s social mission with its customers. A diagram of the search strategy is shown in Figure 1. The five articles used for this review are shown in Table 2. Table 3 is a summary of the evaluation and overall assessment of the quality of each article.
Table 2: Search Results

<table>
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<tr>
<th>Study #</th>
<th>Article Reference</th>
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Kannothra et al. (2018) was a qualitative study based on interviews and independent document reviews of 12 ISSPs in Kenya, India, South Africa, and the United States. The goal was to examine how organizations pursuing both commercial and social goals balance the inherent tensions of their dual mission. The authors found that these ISSPs adopted different strategies based on their customer type. Promotion of a shared social mission was common when ISSPs served local or regional customers. In contrast, a more commercial approach was adopted when working with global customers who often were neither aware nor concerned with the ISSP’s local social considerations. In these cases, the social mission of the ISSP was not particularly relevant. Instead, its track record and the certification of its business practices against industry standards provided confidence in its ability to meet the customers’ commercial needs.

In Khan et al. (2018), the authors examined how the combination of commercial and social goals shape ISSPs. The research was based on a qualitative study of Liberty Source, a U.S.-based ISSP that employed military spouses to provide back-office outsourcing services. The findings showed that ISSPs like Liberty Source adopted either a predominantly commercial or social focus with customers, depending on which one afforded them the greatest legitimacy. In this case, the provider benefited from a shared social mission of supporting military families with its U.S.-based customers. As a result, the ISSP has enjoyed significant marketplace success (Two Sigma, 2021).

Manning (2022) examined the key drivers of providers’ approach to meeting customer needs in the context of economic development in emerging economies. This qualitative study was based on interviews and document reviews with industry experts, government actors, executives, and managers in Kenya and South Africa. The author found that in response to an initially low global marketplace demand, the ISSPs would reorient their focus to local and regional customers. Then, as the focal location became known as a hub for programs addressing the needs of disadvantaged families.
COMMUNITIES, ISSPs were better able to win business by linking their companies to their prospective customers’ social interests and CSR programs. Third-party organizations, such as consultants and business groups, supported ISSPs in this change from a regional and local focus to a broader one by making the social issues and ISSPs more visible on a global level.

Manning et al. (2017) examined ISSPs in the context of serving local, regional, and international customers in and from sub-Saharan Africa. The researchers found that the commoditized services sought by global customers were not conducive to ISSPs’ success in this region. But they did find that more niche-oriented providers that could match their unique capabilities to a customer’s business needs and social interests were successful. Again, the research showed the positive effect of third-party organizations in raising global awareness.

The final article examined the relationship between an ISSP and one of its primary customers. Nicholson et al. (2017) investigated how engaging the customer by emphasizing a shared focus on the support of two grade schools in Chennai and Noida, India, affected the relationship between the organizations. They found that having a common social mission increased communication across the organizations and resulted in stronger personal and professional ties. These ties were found to have practical benefits for addressing business issues and growing the relationship over time.

**RESEARCH**

Table 4 is a synthesis of the insights gained from a review of the five articles. The findings showed that ISSPs that engaged their commercial customers through shared social interests developed stronger relationships and achieved better social outcomes. My review of the articles identified three common approaches for accomplishing this type of relationship: (1) working with co-located customers, (2) promotion of ISSPs and their social mission by trusted third parties, and (3) linking the ISSP’s social mission to its global customers’ social interests and CSR program. I discuss each of these approaches in turn.

**Customer co-location.** In four of the five articles reviewed, greater ISSP success was found when the organizations worked with co-located customers—that is, customers with operations in the same country or geographic region as the ISSP. These customers were found to have a natural affinity and appreciation for the social issues the ISSP was seeking to address. Although ISSPs must still meet their customers’ commercial needs, a sense of shared responsibility for achieving both the commercial and social goals of the organizations existed.

Specific examples of the opportunities derived from serving co-located customers were reported in four of the studies. Kannothra et al. (2018) identified two categories of co-located customers: (1) local businesses, government agencies, and non-governmental organizations; and (2) lead suppliers further up the supply chain serving larger domestic and international customers. Specific examples of ISSPs that enjoy deep, long-term relationships with both types of co-located customers were identified. In Khan et al. (2018), both the ISSP and its customers were based in the United States, and support of U.S. military spouses was a powerful, shared social mission. Studies focused on sub-Saharan Africa (Manning, 2022; Manning et al., 2017) offered similar examples. They also identified an additional category of co-located customer motivated by a shared social mission: global corporations with newly established operations in the region.

**Promotion by third parties.** Third-party organizations, such as government agencies, business associations, consultants, and certification bodies, were found to be important for raising commercial customer awareness of the ISSP’s capabilities and social mission. Early on, organizations such as Accenture, Avasant, and Monitor raised awareness of IS through marketplace studies and reports. The Rockefeller Foundation (https://www.rockefellerfoundation.org/) provided early funding for much of this work. Industry associations, such as, the Global Impact Sourcing Coalition (https://gisc.bsr.org/) and Business Process Enabling South Africa (https://www.bpesa.org.za/) served similar early roles in the industry’s development. Such organizations can facilitate initial customer awareness of the ISSP and its social mission and can help showcase its capabilities. Three of the five articles (Kannotha et al., 2018; Manning, 2022; Manning et al., 2017) discussed examples of this type of support.

**Linking to global customer CSR programs.** Research showed that ISSPs improved their success when they were able to link their social mission to a global customer’s social interests and CSR program. In the case study reported by Nicholson et al. (2017), the ISSP introduced its customer’s executives to local schools in India. Support of these schools became a shared social program. When the customer’s managers and executives traveled to India, their business trips included visits to the schools. Later, back at their U.K. headquarters, customer personnel shared these experiences at townhall-style meetings. The ISSP and its customer became partners in this social initiative, which, in turn, became part of the customer’s CSR program. Manning (2022) reported that as global recognition for an ISSP’s social mission grew, the ISSP was increasingly able to link its social mission to its customers’ CSR program. Manning et al. (2017) reported a growing potential for ISSPs to link both their services and social missions to select global markets.
CONCLUSION

ISSPs face a number of challenges in achieving their goal of job creation and economic development in marginalized communities. These challenges include culturally based community resistance, lack of consistent government support, and inadequate physical and technological infrastructure. However, the most significant challenge they face is winning larger commercial contracts from global corporations.

Through this review of the available academic literature, we see that when ISSPs are able to engage customers in a shared social mission, they are more successful. This shared social mission creates stronger bonds between the companies at both the personal and the organizational levels. These bonds, in turn, lead to longer term, more successful business relationships. Shared awareness and support for the ISSP's social mission from its customers directly contribute to an ISSP's ability to successfully achieve its social goals.

RECOMMENDATIONS

The central recommendation from this research is for ISSPs to engage their commercial customers in a shared social mission. The studies reviewed offer a number of recommendations on how best to achieve this goal.

For ISSPs to achieve significant job creation in marginalized communities, they need to find ways to link their organizations to the social interests of their customers. However, this linkage is particularly challenging to create when working with large global corporations. One strategy is for ISSPs to work to establish meaningful relationships in customer executive ranks. Executive-level involvement is key to obtaining needed organizational support and resources. Involving customer executives in initiatives, such as the support of schools, scholarships, job training, and similar programs, can resonate with the executives' personal and professional interests. ISSPs should explore a wide range of opportunities for engaging customer executives, including...
in areas that may appear to be tangen-
tial to the ISSP’s primary social mission
of job creation. Because ISSPs operate on
the front line of today’s social needs, they
are uniquely positioned to help customer
executives and their teams identify areas of
impact for themselves and for their compa-
nies’ CSR program. ISSPs should leverage
this advantage.

However, this level of engagement with
executives across the global supply chain
of technology-enabled outsourcing services
takes time and investment. For this reason,
I recommend that ISSPs begin by focusing
on local and regional customers. Although
international customers offer a larger
potential for social impact, starting locally is
generally more effective. Local and regional
commercial, government, and non-govern-
mental organizations have a shared appreci-
ation for common social issues. In addition,
they often are seeking lower volume, less
commoditized services, which may better
align with the ISSP’s operations. Similarly,
ISSPs can have early success working with
local and regional lead suppliers, which then
sets the stage for future relationships with
larger global customers. Starting local is
one of the best ways for ISSPs to build their
ability to ultimately engage with global
customers.

Finally, I recommend that ISSPs focus on
becoming known to and promoted by influ-
tential third-party organizations that support
their mission. Many of these organizations
offer award programs that can bring aware-
ness to an ISSP and its mission. Many also
offer certification programs that enable
the ISSP to demonstrate its ability to both
achieve its social mission and meet rigorous
industry standards. Third-party organiza-
tions, such as professional and industry
associations, consultants, and economic
development agencies often serve as advi-
sors to customers seeking new service pro-
viders. Being known and promoted by these
organizations is critical for ISSPs working to
expand their customer base while achieving
their social mission.

LIMITATIONS AND FUTURE RESEARCH
This academic literature review is limited in
a few ways. First, the amount of research
on ISSPs, particularly in relation to the
specific question of engaging customers
in their social mission, is fairly limited. In
addition, all of the currently available pub-
lished research is qualitative in nature.
Future quantitative studies could provide
valuable testing of the hypotheses derived
from these qualitative studies. Second, the
analysis in this paper looked only at what
ISSPs, and social enterprises more gen-
ernally, can do to improve their success by
better connecting their social mission to
larger, and particularly global, corporations.
At the same time, large corporations are
well aware of the growing demands that
they be proactive in addressing the social
concerns of their customers, employees,
and stakeholders. Future research should
examine how large corporations can bet-
ter address social concerns through their
supply chains. This research could be key to
achieving the kinds of global sustainability
goals proposed by organizations like the
United Nations (UN, 2015).

Technological advances will continue to
fundamentally reshape the types of jobs
available and potentially will undermine
the actual effects of what ISSPs do for job
creation today. Recent advances in artifi-
cial intelligence and machine learning have
the power to completely upend the out-
sourcing industry as we know it. As a result,
where technology, business, and society
intersect will continue to be an important
area for future research, both for the aca-
demic community and for practitioners.
REFERENCES


ABOUT THE AUTHOR

Michael F. Corbett is currently a doctoral student at the University of Maryland Global Campus (UMGC). His professional career has taken him from the early days of large-scale mainframe computing at IBM to a leading figure in the global outsourcing industry. He is co-founder and past chairperson of the International Association of Outsourcing Professionals (IAOP) and has advised and served on the board of directors of companies across the country and around the world. As a subject-matter expert on outsourcing, he has written extensively on the topic, including the book *The Outsourcing Revolution: Why It Makes Sense and How to Do It Right* (Dearborn, 2004). Mr. Corbett’s current research interests are in how to improve the success of social enterprises operating within global commercial supply chains, particularly as it applies within the outsourcing industry to Impact Sourcing Service Providers (ISSPs).