BUSINESS CALL TO ACTION

EMPOWER
TRANSFORMING LIVES. SKILLING INDIA

BCtA Impact Measurement Services (BIMS) Case Study

# Empower Pragati

## 1. Introduction

This case study describes Empower Pragati Vocational & Staffing Private Limited's experience with social impact measurement[1] through BCtA Impact Measurement Services (BIMS). It begins with an overview of Empower's social mission and its vocational training project under the National Skills Qualification Framework (NSQF) – an initiative of the Government of India. This is followed by an analysis of Empower's NSQF activities and their potential contribution to social outcomes. The case study then details the "BIMS process" that Empower engaged in to develop a social impact measurement framework and integrate regular social impact data-collection within its operations. The document concludes by raising a set of questions that highlight practicalities and lessons learned by Empower that can benefit the larger inclusive business community.

### Guiding questions for measuring impact

- Why should businesses measure social impact?
- How should they measure social impact?
- What kind of data should they collect?
- What should they do with this data; how is it useful?
- How can they contribute to global priorities and aspirations such as the Sustainable Development Goals (SDGs)?[2]

Answers to these questions provide the raison d'être of ***inclusive businesses***[3] across the world – be they multinational corporations, national conglomerates, or small-&-medium enterprises.

BCtA's Impact Measurement Services (BIMS) works with select BCtA member companies to answer these important questions.

This publication is part of a series of case studies on the ***B**CtA **I**mpact **M**easurement **S**ervices* (BIMS), a Business Call to Action (BCtA) initiative, demonstrating how inclusive businesses can measure and apply social impact data.

Twenty one of BCtA's members are BIMS participants. BIMS provides them technical expertise and technology to design and implement survey-based data collection for assessing their operational and social performance.

BIMS is implemented by BCtA with support from our implementing providers, **Arthify** and **Echo Mobile**.

The photo was taken during the BIMS field training.

1 In this case study, 'social impact measurement' refers broadly to the measurement of social, economic and environmental performance of inclusive business.

2 Adopted in September 2015 by all United Nations member states, the SDGs are a set of 17 global goals and 169 targets related to key development issues facing society today. Countries will aim to achieve them by 2030.

3 Inclusive businesses are commercially viable business ventures that engage people living at the base of the economic pyramid as consumers, producers, suppliers and distributors of goods and services.

# 2. About Empower Pragati

Established in 2010, Empower delivers training and staffing solutions through 600 learning centers across 20 states of India. Since its inception, Empower has trained nearly 175,000 people, conducted more than 1 million days of training, created 2 million days of employment and generated USD 8 million in revenues. Empower plans to train 2 million people by 2020.

Empower is a portfolio company of the National Skills Development Corporation (NSDC) of India, a Ministry of Finance initiative to fulfill the country's growing demand for skilled workers. NSDC has invested in Empower to implement projects which focus on training youth for the ITeS (Information Technology enabled-Services, BPO (business process outsourcing), tourism, agriculture, hospitality, and retail sectors.

The National Skills Qualifications Framework (NSQF) is a country-level policy framework that the Government of India has developed to standardize vocational training, improve training and work-force linkages, and ensure that students are able to enter the job market. Many state governments in India have incorporated NSQF into their secondary schools by contracting the implementation of NSQF to private service providers like Empower.

In 2014, the Department of Higher Education, in the state of Himachal Pradesh entered into an agreement with Empower Pragati to implement ITeS vocational courses in 25 schools under NSQF. As part of this agreement, Empower hires and trains ITeS trainers; delivers training in school computer labs; organizes guest lectures and industry visits; and mobilizes career counseling for students. As part of BIMS, Empower's management decided to focus its social impact measurement efforts on the NSQF project instead of a cross-project, company-wide exercise.

While the government and its schools are Empower's direct customers, the real beneficiaries are students, the majority of whom come from low-income households.[4] Although Empower does not collect family income data from students, household data were collected through BIMS using the Progress Out of Poverty Index (PPI)[5] score-card. The PPI scores indicated that majority of Empower's students have a 55 percent probability of falling below the poverty line of USD 2.5 per day in purchasing power parity, clearly demonstrating that most of Empower's student-beneficiaries live at the base of the economic pyramid – with an income of less than USD 8 per day.[6]

# 3. Measuring Social Impact

Empower's vision is: ***"To transform the weakest and most vulnerable segments of our society (including girls, minorities, school drop-outs, migrants and disabled people) into empowered, financially secure and productive human beings".***

The company's training and staffing services aim to create an empowered, financially secure and productive workforce in an inclusive and equitable manner. The company has committed to train 2 million youth by 2020. Since its largest clients are government agencies, its business growth and social impact are directly linked to the Government's priorities and policies. As an active private-sector partner of the Government, Empower tries to go beyond implementing contracts by providing insights and feedback on education-sector policies and programmes to its institutional partners.

As an inclusive business member of the BCtA, Empower is collaborating with BIMS to better understand the social challenges that affect its business, and the efficacy of its programmes in addressing them. The company has identified the following four SDGs related to the social impact it seeks to achieve:

**SDG 4: Quality education**
**SDG 5: Gender equality**
**SDG 8: Decent work and economic growth**
**SDG 10: Reduced inequalities**

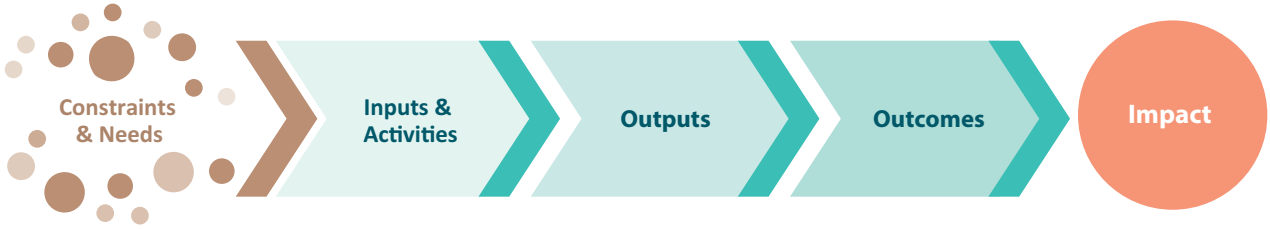
To measure the social impact of the NSQF project as part of BIMS, Empower designed and deployed a suite

4 S. Desai et al. Private schooling in India: A new educational landscape. India Human Development Survey Working Paper, National Council of Applied Economic Research.

5 http://www.progressoutofpoverty.org/country/india

6 BCtA defines BoP as those living on less than $8 PPP per capita per day in 2005 US dollars.

**Figure 1. Empower's Social Value Chain**




| Constraints & Needs | Inputs & Activities | Outputs | Outcomes | Impact |
|---|---|---|---|---|
| High dropout rate in secondary education | Recruitment and training of ITeS trainers | Delivery of the ITeS curriculum during the academic year | Overall increase in student retention, graduation and placement | Improvement in school education quality |
| Lack of links between secondary education and employability | Establishment and management of computer labs | Achieving the target number of counseling sessions and industry visits | Better delivery and monitoring of new education courses | Increase in demand and access to quality education by low-income/ minority groups |
| Lack of a practical, skills-based education curriculum at the secondary level | Teaching ITeS coursework in the computer labs | Students progressing/ graduating with ITeS certification | Educational content aligned with employability | Improvements in future income-levels of students |
| Lack of measurement and feedback mechanisms to test, adapt and roll out new subjects and teaching methods | Communication and outreach to students, parents and industries | Locally trained ITeS trainers | Increase in students' and parents' awareness of job markets | Growth of a skilled workforce |
| | Monitoring and reporting student learning outcomes | Reporting & feedback to Dept. of Education | Growth in Empower's business and social impact | |
| | Career counseling and facilitating job placement | Revenue for Empower from delivery of services | | |

of stakeholder surveys in 17 out of the 25 schools in Himachal Pradesh. These surveys were in addition to the operational data Empower was collecting on a daily basis through their management information system. These surveys were developed based on a **Social Value Chain (SVC)** that delineates the business goals, strategies and operations contributing to Empower's identified social impact. The Social Value Chain is an analytical framework combining Theory of Change[7], log frames[8] and Value Chain Analysis[9] to help companies strategically assess the social objectives of their businesses.

Empower's Social Value Chain assesses how one of the company's largest projects achieves its mission: to transform the most vulnerable people in society into empowered, financially-secure and productive individuals.

## Indicators

The Social Value Chain helps companies clearly articulate the social objectives they seek to achieve, and to identify the inputs, activities and outputs that help them to meet those objectives. These parameters are then transformed into indicators that can be measured; and can inform decision-making to improve the company's social impact.

For Empower, the key parameters, indicators and decision-making questions arising from their Social Value Chain are:

**Figure 2. Empower's Indicators**

| Social Value Chain component | Parameters | Indicators | Decision-making questions |
|---|---|---|---|
| Inputs & activities | Establishment of computer labs & hours of course work in class | Hours of instructional/computer time per student (planned vs actual) | • Is the program being implemented as planned?<br>• Is the investment in computers, etc. adequate? |

7 http://www.theoryofchange.org

8 http://www.adb.org/documents/using-logical-framework-sector-analysis-and-project-design-users-guide

9 Porter, M. (1998) *Competitive Advantage: Creating & Sustaining Superior Performance.*

| Social Value Chain component | Parameters | Indicators | Decision-making questions |
|---|---|---|---|
| Inputs & activities | Demographic profile of students and ITeS trainers | Percentage of trainers and students by demographic parameters | • Are qualified trainers being hired and trained?<br>• Is the hiring equitable in terms of gender and other demographics?<br>• Are female students participating equally in ITeS vocational courses? |
| | NSFQ programme parameters: entry, duration, student selection, subjects, classroom inputs, etc. | Stakeholder feedback on class-time duration, guest lectures, industry visits, implementation hurdles, etc. | • Which programme parameters need to be reviewed or changed? |
| Outputs | Student attendance and certification | Student attendance & satisfaction rates | • Is the programme engaging enough to ensure regular attendance? |
| | | Course certification rates | • Are students learning well enough to be certified? |
| | Reports & feedback to Education Departmen | Perceptions of school and Education Dept. staff | • What is the level of buy-in and feedback on the new course? |
| Outcomes | Secondary education aligned with employability | Willingness by industries to host visits and hire high-school graduates with vocational training | • Is there a demand from industries for vocational education at the secondary level? |
| | Increase in student/ parent awareness of job markets | Reasons students and parents prefer vocational education<br>Percent of students and parents who expect employment after secondary schooling | • Is there a demand from students and parents for vocational education at the secondary level? |
| Impact | Improvements in school education quality | Student scores on learning outcome assessments in schools with and without vocational education | • Can an argument be made to include vocational programmes in order to impact education quality and learning outcomes? |
| | Improvements in students' future income levels | Employment rates and income levels of graduates over time | • Does vocational education allow for graduates to adapt in order to remain employed over time despite changing labour market requirements? |

# 4. Implementing BCtA Impact Measurement Services (BIMS)

BIMS engages participating companies through a three step process to plan and implement social impact measurement for their business. The companies commit to working with the BIMS team for a period of two years, with the first six months focused on developing the Social Value Chain, the impact measurement indicators and the survey tools; and the rest of the period the company works on scaling up and refining data collection efforts.

### Articulating the context and rationale for measuring social impact

This phase of BIMS requires companies to take a broader view of their company or a specific business-unit in terms of its expected returns, the maturity of its business activities and the purpose of measuring impact.

Empower articulated these parameters as follows:

- Expected returns: The company's primary mandate is to achieve social returns by training youth in a financially sustainable manner.
- The company itself is at a formative stage, and its engagement with the Government on the NSQF project is in its pilot phase. The project is being implemented for the first time and its efficacy has yet to be ascertained.
- Given that the NSQF project is in its pilot phase, Empower needs to proactively engage government stakeholders in the operations of the project, as well as in the resulting policy discussions. Therefore, as part of BIMS, the purpose of measuring social impact was to:
  1. evaluate the gaps in programme delivery and correct them, and
  2. demonstrate to the Government the need to scale up the programme – and how to do it

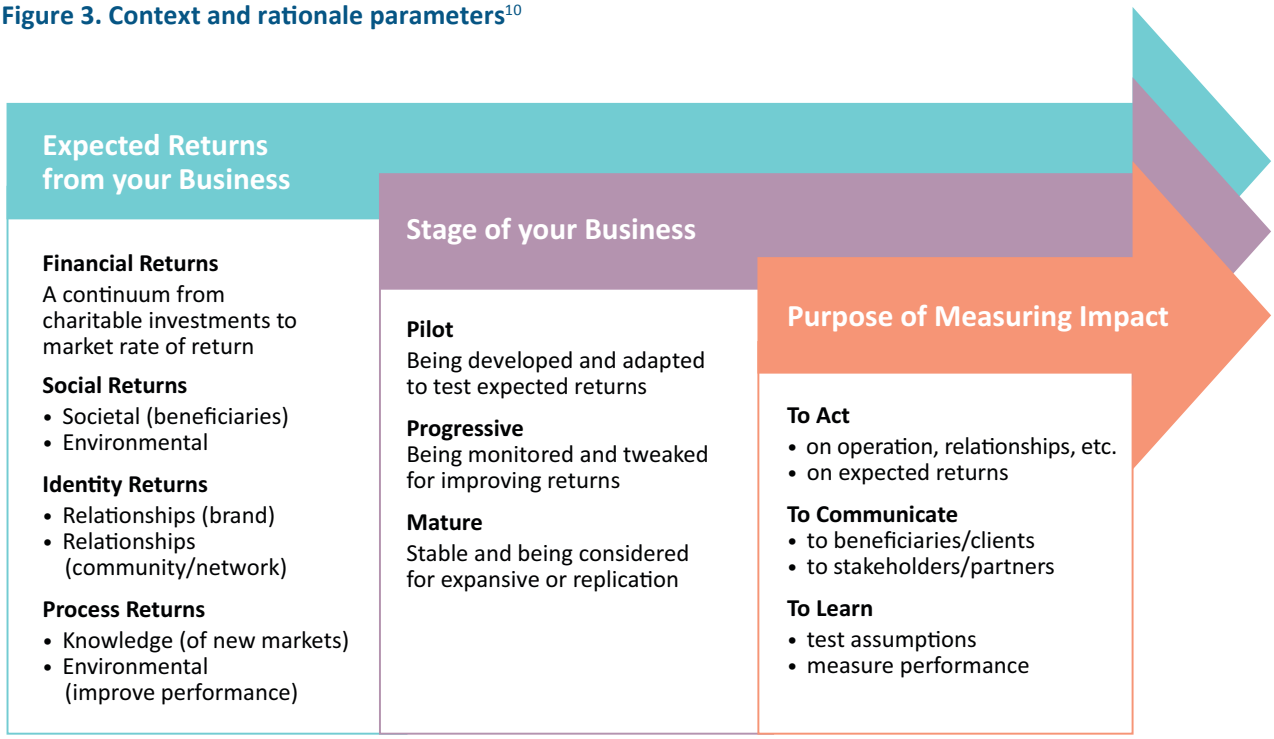
## Developing the Social Value Chain

This phase of BIMS requires inputs from all levels of the company – especially from staff who directly interact with the principal beneficiaries on a regular basis. During this phase, company staff engage in a continuous process of discussion, formulating answers to the following questions:

1. What is the social vision/goal of the business?
2. What are the social needs (the problem) that the business is trying to address?
3. What are the social and market constraints that the business works within and seeks to change?
4. What are the main activities and resources (inputs) that are being deployed by the business? How do these activities impact the social and market constraints identified above?
5. What indicators of success and timelines are needed to assess the impact that is expected from the activities listed above?

The process of developing Empower's Social Value Chain lasted two months and was managed by their Chief Operating Officer, with inputs and support from the NSQF Project Manager. Since the Social Value Chain was project specific (rather than company wide), majority of its inputs – ranging from project goals to implementation challenges – came from the ITeS trainers at the schools. These inputs were aggregated by the Chief Operating Officer and the Project Manager during a two-day workshop that included the creation of a visual results chain map and a logical framework (logframe) to map the intended outputs, outcomes and impacts to quantifiable indicators.

**Figure 3. Context and rationale parameters**[10]




10 Based on: *Measuring and Improving Social Impacts: A Guide for Nonprofits, Companies and Impact Investors* by Marc J. Epstein and Kristi Yuthas.

### Empower survey implementation

The first round of BIMS survey work was implemented in 17 out of 25 schools in Himachal Pradesh, where Empower works with over 2,000 students. Given the varying sizes of various stakeholder groups, a randomized sampling methodology was suggested for the student and parent surveys with populations over 100, while a non-randomized qualitative approach was proposed for schools with student populations below 50. To accommodate the company's capacity to carry out the implementation, the actual sampling methodology followed the steps below:

- Data collection was stratified at the school level and data were collected by trainers, who interact with the students on a daily basis.
- To achieve a 95 percent confidence interval and 5 percent error rate on student surveys, 800 9th and 12th graders in the ITeS programme were surveyed along with 400 non-ITeS 9th and 12th graders for comparison. Students were to be selected based on systematic random sampling from student rosters; however in practice surveys were carried out based on students' availability and willingness to participate.
- Based on their availability, 400 parents of ITeS students were also surveyed across 17 schools.
- All but one ITeS trainers in the 17 schools were surveyed along with 170 school teachers, 25 education department staff, 89 guest lecturers and 49 organizations hosting industry visits.

Empower has already used the survey data to create infographics for presentation to the national Education Department.

### Designing and implementing technology-enabled data collection

In this phase, the company identifies sources of existing data and prepares for additional data collection to measure its social impact against the indicators developed as part of the SVC. To make the data collection process more efficient, BIMS provides the company a web and mobile platform with smart phones (or tablets) for collecting data. The company can use this platform to conduct stakeholder surveys, and to collect ongoing operational data as well – any information that can provide social-impact insights.

As part of its NSQF obligations, Empower had already set up a management information system to track the inputs and activities related to the project – e.g. total working days, trainer and student attendance, coursework completed, number of guest lectures and industry visits, counselling sessions conducted, etc. It also regularly collected data on the ITeS trainers and submitted standardized reports to the Education Department.

As part of BIMS, Empower surveyed all stakeholders to inform decision making within the Social Value Chain. Survey questionnaires were developed to interview 9th and 12th grade students, parents, school teachers, ITeS trainers, education department officials, guest lecturers and industry partners.

# 5. Improving Social Impact: Data for Decisions

BIMS engages participating companies in going beyond reporting to apply their social impact data in decision making. In order to facilitate this and ensure that the survey tools, data, and lessons learned by each company benefit the larger inclusive business community, BIMS has defined four common questions for all participating companies to answer based on the data they collect through BIMS.

### Who are the beneficiaries of the inclusive business?

Empower works with government agencies and other private companies that promote vocational training for low-income and marginalized youth. Its training programmes are provided free or at nominal charge to students. In the NSQF project, public secondary-school students are the beneficiaries of Empower's training services. Majority of these students come from minority status groups and low-income households.[11]

### What aspects of customers lives are being impacted by the company?

Empower's customers are found at the: (i) institutional level – i.e. the national Education Department; and (ii) beneficiary level – students and their families.



11 S. Desai et al. Private Schooling in India: A New Educational Landscape, IHDS Working Paper, NCAER.

With BIMS, Empower is using its social impact data to inform the Government about how to improve the efficacy of its policies and programmes related to the National Skills Qualifications Framework (NSQF). Through its management information system, Empower also collects data on students' certification and placement rates to assess the outcomes of the vocational education programme.

The company assists the Education Department and schools in improving demand for education and in experimenting with public-private partnership models. It also provides insights into the integration of new curricula and teaching methods. In the teacher survey, 86 percent of teachers confirmed that student enrollment has improved because of vocational courses in their schools.

For students, Empower aims to provide an engaging vocational education programme with exposure to the labour market. Nearly 99 percent of the students surveyed expressed their satisfaction with the ITeS programme, with the majority finding ITeS to be more interesting and practical than regular academic subjects.

## How is the business achieving this impact?

As a government contractor, Empower, executes the NSQF ITeS course in Government schools. The social impact it generates depends on the public education system's policies and programmes. The company's influence is therefore limited to the activities it is contractually obligated to deliver:

- hiring and training ITeS trainers;
- arranging guest lectures, industry visits and internships;
- conducting ITeS classes; and
- assessing students learning outcomes.

Empower's management informtion system is used to monitor these deliverables against indicators such as qualifications of trainers, student attendance rates, hours of computer and project work time, and student learning scores. However, this system does not collect any feedback from stakeholders. The company therefore focused on stakeholders' perceptions regarding the ITeS program. Questions included: Why do students decide to take vocational courses? Which components of the programme need to be modified? What do potential employers look for?

Empower is using this data to improve programme delivery and influence government policies and priorities.

## Can the business increase its impact?

In Empower's case, helping the government use actual operational and impact data to improve its policies and expand effective programmes will lead to greater impact. However, increases in Empower's social impact need not be limited to education and employability alone. Global priorities and commitments like the SDGs can guide it to influence a wider range of social outcomes. For Empower, three major insights related to SDGs resulted from BIMS:

1. SDG 4: *Education* and SDG 5: *Gender equality* are interrelated. Despite any proactive effort to enroll girls in ITeS courses, the BIMS student survey data showed that nearly 50 percent of the students in Empower's courses are girls. The data also showed that more girls than boys are interested in pursuing a Bachelor's degree instead of directly seeking employment after secondary school. This contradicts one of the ITeS course objectives – improving employability after the completion of secondary school. The Government and education service providers need this kind of data to better develop programmes and policies tailored for women.

2. Empower identifies SDG 10: *Reducing inequalities* as a part of its social mission. Through BIMS surveys, the company has learned that secondary school students are indeed from vulnerable groups. However, additional socio-demographic data can be collected specifically from those students who drop-out or cannot be placed successfully to better address the hurdles they face within and outside the education system.

3. It is universally accepted that education leads to SDG 8: *Decent work & economic growth*. However, evidence on the efficacy of vocational education is lacking.[12] Even an industry survey of potential employers showed that the demand for labour may not match student profiles or educational inputs: only 8 percent of industry respondents stated that there are full-time positions for 18-year-old high-school graduates. The survey also revealed that less than one third of industry respondents were willing to support part-time employees in gaining further education. This kind of data can help the government to better understand labour demand and better target vocational programmes.

12 *Investing in Technical & Vocational Education and Training, Does It Yield Large Economic Returns in Brazil?* World Bank Policy Research Working Paper, April 2015.

# 6. Lessons Learned and Next Steps

This final section of this study consists of a set of questions to, and responses from, Empower's management regarding their experience with BIMS and how they intend to proceed with social impact measurement post-BIMS.

### Prior to BIMS, how did Empower measure social impact across the organization or for specific projects?

- According to one of Empower's directors, the company only implements "*…projects that have a clear impact…such as the number of jobs our youth get. This makes it easy to measure our impact – otherwise we do not take on a project.*"
- Aside from BIMS, *"Impact measurement for skill development within and outside Empower mostly happens through qualitative data – these are stories of the lives touched. Added to the mix is operational data, which are routinely captured. Most measurement happens when it is mandated by funders. Empower tries to make it a continuous process"*.

### Did the BIMS social impact measurement methodology differ from what Empower did before? How?

- BIMS *"was different, as we wanted to capture the subtlety of the NSQF programme that had not been captured…and had likely been missed by the skill-development fraternity. We are happy we could do it the way we envisaged it. Our work* [with BIMS] *can add value to the policy and strategic direction of the industry. It can be replicated by people inside and outside."*
- BIMS was treated as a project in itself. To implement BIMS, *"We assigned the Chief Operating Officer to drive it. Our state team and the trainers also fully participated in the project."*
- This was the first time Empower deployed mobile phones for data collection and used surveys as a means to collect social impact data directly from stakeholders. The Empower team found the *"use of mobile phones for data collection and the design of relevant survey questions the most useful components of BIMS*".

### What implementation challenges did you encounter while implementing BIMS surveys?

- Conducting the surveys in government schools with students and government employees was a challenge. *"Engaging stakeholders in a government-funded project is always dicey. We have to get people excited. But once they see the outcome of their hard-work, they will be more excited in the future."*
- Although hardware support for BIMS is provided by BCtA, Empower is concerned about the costs of replicating the process across other regions. *"How do we get hardware costs down? How can we measure impact in our everyday work as opposed to by surveys – to capture survey-like responses with simple indicators?"*

### Does Empower intend to continue explicitly measuring the social impact of the business and specific projects? How?

- Participation in BIMS, *"opens up a more robust framework for measuring impact. It is also likely to be replicated in other projects …. We will need to look at the financials internally as every project's financial sustainability is different".*
- The data from BIMS clearly indicates the need for "*reallocation of staff time towards activities aimed at fulfilling project objectives. For example, as per the data, parents have emerged as some of the most influential stakeholders impacting student enrollment. Our project staff will take steps to engage them more."*
- *"We plan to expand the NSQF ITeS project to new areas. The assessment of NSQF with BIMS has been a bright start towards ensuring that all projects have measurable impact apart from the metrics that are part of compliance."*

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