

What's Next for Corporate Social Impact?

7 Trends to Watch

The last two years have brought rapid change and a growing awareness to corporate impact initiatives. Like many fields, this rapid evolution is largely in response to culture-shifting events as well as the growing influence of Millennial and Gen Z employees and leaders.

Those influences along with many more sector-specific disruptions are sparking some of the trends that Next Stage is watching. In the list below, our team will break down what is happening and how conditions are changing, as well as some things to watch in the coming months:

1. ESG Changing The Conversation

There is a shifting focus on how social impact strategies influence the bottom-line for companies. Corporate interest in the community began with consumer demand which gave rise to cause marketing efforts. As generational changes introduced Millennials to the workforce, companies repositioned employee engagement efforts to show values in action. Now, investor attitudes and interest in environmental, social and governance (ESG) are changing the entire paradigm.

What are we watching?

Despite incredible attention on ESG-related drivers, few companies have developed a comprehensive strategy or have determined the right metrics for measuring. Stakeholders of all types - consumers, employees and shareholders - demand a return on their investment (ROI) that goes beyond satisfaction, compensation and financial return, respectively. Companies are exploring how best to deliver and communicate this increased value proposition in real time. Expect to see conversation about ESG everywhere next year, with an emphasis on the entire range of stakeholders.



2. CSR's realignment in the corporate hierarchy

Corporate social responsibility (CSR), as the name implies, is a hold-over from a time when companies expressed their commitments to community as a “social responsibility” as opposed to a business imperative. As such, these departments have often lived in isolation inside the corporate construct. Since the onset of the pandemic, CSR has taken on new life for companies and it is now at the top of corporate agendas. Expect to see more Chief Social Impact Officer (CSIO) roles announced in the coming months.

What are we watching?

This sharpened focus on social impact and increased expectation of CSR leaders has largely come without additional investment of staffing. Social impact departments remain small teams too often disconnected organizationally from the marketing, human resources and operational levers they are being asked to impact. Systemic realignment internally is moving slower than the expectation for increased impact on internal- and external-driven KPIs

3. Social good as a cure for the ‘long-haul’ impacts of COVID.

COVID has caused near-constant change for most companies since it arrived in early 2020. Leaders now grappling with the longer-term impacts of the pandemic on their business may find that solutions already exist within their own walls. The Great Resignation, the continued impacts of a virtual work environment, the need for greater diversity, equity and inclusion – social impact efforts can positively influence each of these areas. Companies are recognizing the growing business and culture advantage of nonprofit partnerships and are looking to their CSR leadership to help source solutions.

What are we watching?

Expect CSR professionals to have increasing influence as they are brought to the table to help solve problems with a social impact lens. They will be asked to help address company challenges that have previously been outside of their influence, such as employee engagement, workforce pipeline and diversity & inclusion. This will give corporate social impact and its nonprofit partners growing influence and resources – but may also cause growing pains as capacity catches up with demand.

4. An emphasis on authenticity.

Companies of all sizes and industries are making significant public commitments on a range of social issues, from racial justice to LGBTQ+ rights. These commitments were a result of overwhelming public demand – and research says that both employees and consumers will continue to push for this level of accountability from the brands they choose. A recent Edelman study showed that nearly 78% of consumers believe they can force a brand to change its company's societal impact.

What are we watching?

Now that these public commitments have been made, companies face the challenge of authentically following through. Many of these companies are weighing what this means for them and how their business practices should change – and big social problems often require big, socially-sourced solutions. Look for an increase in savvy companies that are turning to aligned nonprofits and other community-based organizations to authentically and directly connect to the communities where they hope to invest and to inform their own practices around equity, inclusion and more.

5. Companies sourcing long-term social good brand partnerships.

Expect to see an increase in the number of multi-year partnerships that leverage the resources of both parties. The days of one-off sponsorships and logo placement are waning. Marketing impressions were formerly the currency of nonprofit-private sector partnerships, but today's leadership wants to demonstrate measurable community impact through strategic brand partnerships. While existing matching gift and volunteer programs will remain, corporate giving programs are more frequently turning to deep, multi-year commitments into specific causes and organizations.

What are we watching?

Companies such as Equitable and LendingTree are committing to long-term investment of nonprofit partners and in many cases are co-designing initiatives for maximum impact. This pooling of nonprofit and private sector resources will change the dynamic of these partnerships and will offer greater stability, brand awareness and community impact for everyone involved. We also expect to see an increase in the number of companies building partnerships with specific values-aligned causes.

6. Corporate partnerships not just for national nonprofits anymore.

Due to increased attention on community voice, companies are increasingly turning to emerging or community-based nonprofit partnerships. Where companies previously partnered almost exclusively with large, national nonprofits, many CSR professionals are realizing that smaller organizations have distinct advantages. Their nimble structure is often rooted directly in community, offering authentic connection and community engagement and their more flexible structures often allow for highly customizable partnerships.

What are we watching?

We expect to see more and more private sector companies of all sizes seek out these community-based partnerships in the near future, to create highly customized, mutually beneficial impact. We also expect to see a greater demand for nonprofits and leaders who are directly engaging with the community and building innovative, community-led solutions.

7. 'Neutral' no longer an option

Company leaders are coming to the realization that this shift in employee and consumer expectations is permanent and will be ignored at great risk. For as many people who criticize ESG expectations of companies as 'woke culture run amok,' there are many more who will penalize the fence-sitting company leadership hoping to 'wait this out.' There are many cautionary tales of late suggesting a need for more proactive rather than reactive efforts.

What are we watching?

Smart companies are leaning into this cultural shift as an opportunity to revisit their company values and how they align with consumer, employee and shareholder expectations. Values and guiding principles are big right now, and creating tangible ways in which they show up in community is a growing approach companies are taking to remain competitive. Not every company needs to comment on every issue - but companies will increasingly be expected to be engaged and active in the conversation.

Our team will be keeping a close eye on these trends - and more - over the coming months. Want more information? [Download The Social Good Report: Profit & Purpose.](#) If you would like to talk about how these trends are impacting social good at your organization, contact us - we'd love to chat! [Click here to contact us.](#)

