



Creating Business Value through Social Impact is More Effective when Corporate Citizenship is Built-in, not Bolted-on

Updated 27 February 2018

Positive social impact, the result of a company's efforts to do good directed towards solutions to important problems, is more impactful when a company integrates those efforts with their core competencies and through their products and services. Many corporations' efforts have been adjacent to the company's business, or "bolted on." A "built-in" ethos, where the company works to create value for both the bottom line and the outside world has strong long-term success implications for both.

This was the discussion of The Conference Board's Corporate Social Responsibility Council at their recent meeting in San Francisco. Council Members from some of the world's largest corporations gathered at Google's Community Space on The Embarcadero to look at how actions of their respective companies can both create bottom-line and societal value. While there has been much talk, there is significant opportunity for companies to broaden their approaches.

A company's tool box for doing good has long included philanthropy, employee volunteering and local community engagement. That toolbox is rapidly expanding to include shared value, impact investing, and products and services with purpose, not to mention many of the other components of ESG (Environment, Social Governance).

Whereas much of the work was done for reputational reasons or risk mitigation, it is the value creation for the business that is the bigger opportunity. This includes: brand differentiation; talent recruitment, retention and productivity; operational efficiencies; product innovation; and new business prospects.

The big question at the council meeting considered how CSR is organized at companies. For example, are product/innovation staff leading CSR initiatives on their own and are responsibility/sustainability/social impact employees knocking on the doors of those

innovation employees to get on their agenda? The answer was a combination of both.

But to really scale CSR within a company, corporate citizenship executives need to be intrapreneurs: internal entrepreneurs who encourage those in the business units to innovate with social purpose. Younger employees tend to develop new products with sustainability and social impact in mind. Corporate executives will now need to be less risk averse and open their minds to the possibility of what is being proposed internally.

Social entrepreneurship

Social entrepreneurs target societal problems and provide innovative solutions by using market mechanisms. Elizabeth Gore, chairwoman of Alice, cited three attributes that are changing what corporate success looks like: “Digital transformation, authenticity and the entrepreneurial nature of work.” Alice supports an entrepreneurial ecosystem that provides equal opportunity for all with a focus on women and minorities.

Gore asked council members how their companies are partnering with entrepreneurs. She noted that today 70 percent of jobs created are from entrepreneurs and their small and medium sized enterprises (SMEs). Many of tomorrow’s new products and services will be created by these entrepreneurs. She challenged the members, by asking: “Will your company be left behind by not engaging with them early?”

Impact investing

Impact investing often means different things to different people, but it is a trend that is gaining momentum with capital markets and companies alike. Many financial investors are looking for blended value—the old triple bottom line with financial, social and environmental performance.

Companies are beginning to invest a part of their portfolio in socially responsible funds and companies. When doing so, investors should be clear about the financial return and the social impact they want to have. We have seen some of this where a foundation will make program-related investments utilizing funds from their corpus. The ability to scale social good can be exponentially larger through impact investing versus traditional philanthropic means.

If everyone in the company has the responsibility to act responsibly, then if taken a step further to incorporate positive social impact in both business decisions and product design, the outcome will most likely be one of both improved financial performance, as well as helping our world be a little better.

AUTHORS



Jeff Hoffman

**Institute Leader, Corporate
Citizenship &
Philanthropy, Governance
& Sustainability Center**
The Conference Board

The Conference Board is the Member-driven think tank that delivers **Trusted Insights for What's Ahead**[®]. Founded in 1916, we are a nonpartisan, not-for-profit entity holding 501(c)(3) tax-exempt status in the United States.

© 2026 The Conference Board, Inc.