

Measuring Societal Investments

This section provides an in-depth analysis of the latest trends in measuring and evaluating the societal outcomes and/or impacts of corporate societal engagement programs.

KEY FINDINGS IN THIS SECTION:

- Measurement of societal outcomes and/or impacts is on the rise.
- Companies continue to be strategic in terms of their societal outcomes measurement.
- Measurement of the business results of employee engagement continues to increase, propelling contributions expansion as well as employee volunteer participation rates.

LEVELS OF MEASUREMENT

GROWING MEASUREMENT AND EVALUATION

In 2017, 89% (N=252) of surveyed companies measured the outcomes and/or impacts on at least one grant.

Compared to three years ago, more companies are measuring societal outcomes and/or impacts today: Within a three-year matched set, 81% measured outcomes and/or impacts in 2015 compared to 84% in 2017 (n=163).

The *Giving in Numbers* Survey asked respondents to use the logic model when categorizing evaluation efforts:



STRATEGIC MEASUREMENT

Companies continue showing bold moves in terms of measurement. They continue to focus their resources in key areas of interest, which can be reflected in the increase in terms of the proportion of companies that measure societal outcomes and/or impacts on their strategic programs: 36% of companies in 2015 compared to 42% of the same set of companies in 2017 (n=117). Typically, companies that measured societal outcomes and/or impacts on all their grants also had fewer nonprofit partners and approved fewer grants in their portfolio (median of 95 and 85, respectively), compared to companies that measured outcomes and/or impacts on only select grants that in 2017 had a nonprofit partners median of 541 and approved a median of 397 grants.

MEASUREMENT BENCHMARKING

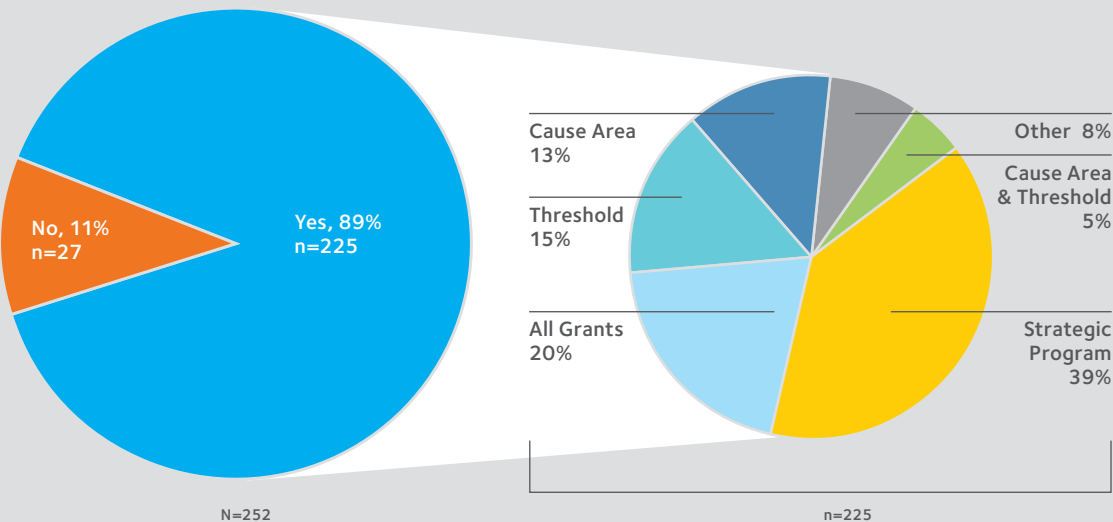
Most companies use external tools to measure their signature programs. Only 20% of companies have developed an internal, entirely in-house resource to evaluate strategic grants, 24% have developed an internal tool that has been informed by an external resource to evaluate strategic grants. On the other side, over half of companies (56%) have worked with external partners to measure their societal outcomes and/or impacts, either through grantees, consulting firms, research institutions, universities, and/or publicly available data*.

When respondents were asked which entities they view as leading examples of measurement and evaluation, companies reinforced the idea of using nonprofits in the CSR field to benchmark their strategic giving programs, other peer companies' annual reports (especially the ones with long-standing tradition and history in the philanthropic field), global frameworks like the UN's SDGs to track impact, third-party resources like foundations councils/associations, and others.

**Note: Options of resources used to measure the societal outcomes and/or impacts of a company's strategic program are not mutually exclusive.*

FIGURE 20

Percentage of Companies that Measure Societal Outcomes and/or Impacts and Scope of Measurement, 2017



MEASUREMENT OF BUSINESS VALUE

MEASURING BUSINESS VALUE

Although most companies measured their social outcomes and/or impacts, there is still a gap in measuring the business value of employee engagement programs. In 2017, 30% of respondent companies measured the business value of corporate volunteer programs. Examples from respondents include the impact among the communities that companies serve, brand recognition, volunteer and job satisfaction, skill development, and increase in networking opportunities among employees who volunteer. These programs help attract candidates, retain committed employees, and improve the recruitment process. Commonly cited tools that companies use to measure these aspects include Return on Investment (ROI) trackers, employee-satisfaction surveys, tracking employee engagement changes in metrics (e.g., employees' sense of purpose, loyalty, pride in the company), rating of volunteer activities, correlation between business and employee engagement metrics, and performance between employees who volunteer and those who don't.

BUSINESS VALUE CREATION

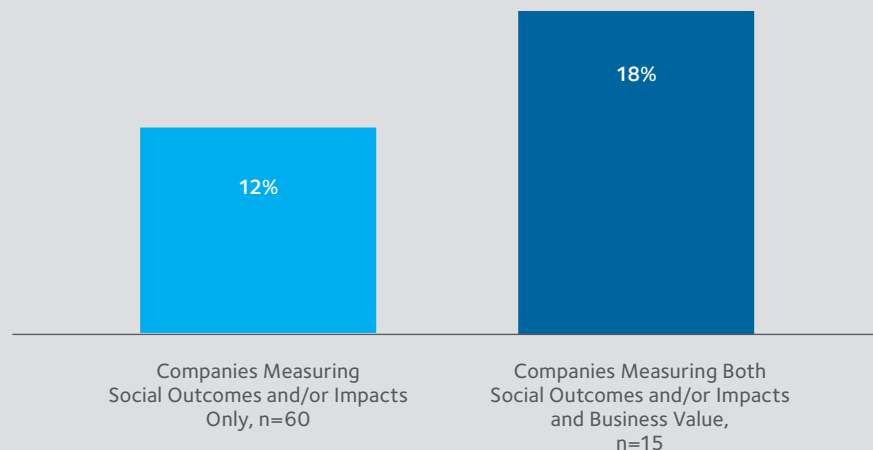
More and more, companies recognize how important it is to assess how their employee engagement programs affect several dimensions in the business. The percentage of companies measuring the business value of their employee engagement practices has increased by 5 percentage points between 2015 and 2017 in a matched set of companies, from 28% to 33% respectively. Companies that were able to measure the result of their employee engagement activities may have a better understanding of how to maximize and channel their societal contributions. As shown in Figure 21 below, companies that measured both their societal outcomes and/or impacts as well as their business value increased total giving between 2015 and 2017 more than their counterparts that measured only societal outcomes and/or impacts but not the business value of their employee engagement practices.

MEASURING BUSINESS VALUE LEADING TO BUSINESS GROWTH

Companies that have been able to make a strong business case by measuring the social results and also the business value of their volunteering efforts attained a higher commitment in terms of contributions and a higher volunteer participation rate among their employees. In 2017, companies that measured both social outcomes and the business value of employee engagement not only proliferated their giving as explained in the previous column but also attained a higher absolute median value of total giving in 2017 (\$25 million) compared to companies that measured only social outcomes (\$23 million). But being able to internally increase contributions was not the only benefit of implementing both types of measurement: companies that measured both societal outcomes and the business value of employee engagement also had a higher average volunteer participation rate among their employees (35%), compared to all other companies that measure only social outcomes (26%). This difference was statistically significant at a significance level of 0.05.

FIGURE 21

Percentage Change in Total Giving Between 2015 and 2017 (adjusted by inflation)



MEASUREMENT RESOURCES

RESOURCING MEASUREMENT

Measurement and evaluation responsibilities are pretty much distributed among team members. When it comes to staff members' responsibilities, three out of four companies stated that their teams typically approach resourcing measurement and evaluation by distributing this responsibility partially among all or select team members. When the measurement and evaluation responsibilities are more distributed, the median contributions team size was nine, higher than at companies where at least one FTE was fully responsible for measurement and evaluation. Only 14% of companies stated they have at least one team member fully responsible for measurement and evaluation, and the median contributions team size among these companies was lower than that among companies with more spread-out measurement and evaluation responsibilities: the median FTE team size was five. A lower median number of FTEs when at least one staff member is fully responsible seems to be aligned with the fact that companies would need to distribute responsibilities among fewer people who would be more focused on measurement efforts.

COLLABORATION WITH GRANTEES

Being able to estimate or better assess the impact and outcomes of corporate societal investments requires working in collaboration with grantees. It seems necessary to work in alignment with recipient organizations to maximize the information they collect or already have firsthand. The data show that it is a common best practice to collaborate with grantee partners when selecting specific measurement output or outcome metrics: 77% of respondents confirmed that it was common or very common to have this collaborative measurement practice with grantees. It seems that when measurement collaborations occur more frequently, companies also require larger contribution staff teams to help with the more frequent interactions with recipients/grantees. The median contribution staff team size for companies with common or very common collaborative measurement practices with grantee partners was ten, compared to all other companies for whom the median contributions staff team size was seven.

DEVELOPING METRICS

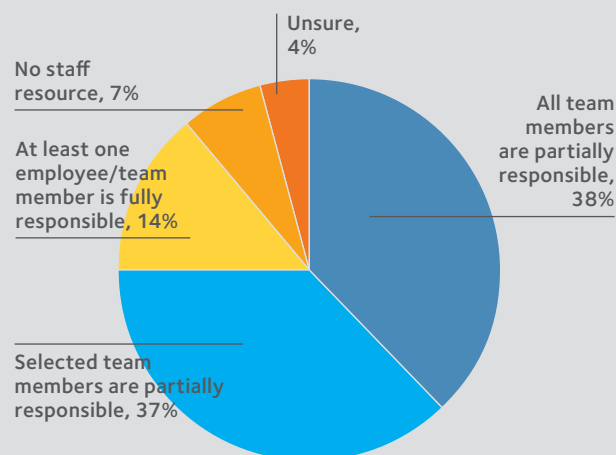
On page 11 we discussed how contributions allocation is managed in terms of strategic programs. As seen in the previous column, measurement of these programs requires the development of metrics, very often in collaboration with grantees.

Metrics to measure the outcomes and/or impact of these strategic programs aim to assess how different end-recipients' lives are touched. Some commonly mentioned target beneficiaries among these impact metrics range from individuals (e.g., youth, students, consumers/customers, mentors, parents, educators, households, farmers, species, children, teachers, underserved) to more collective organized entities such as nonprofits, organizations, businesses, schools, government, and communities.

The most commonly mentioned outcome terms among various causes include: financial literacy increase, scores and grades comparisons, professional skills development, attained degrees, jobs creation, health outcomes, educational tests achievements, nutrition improvement, environmental outcomes, distributed books, access to meals, reading proficiency, school enrollment, school attendance, and others.

FIGURE 22

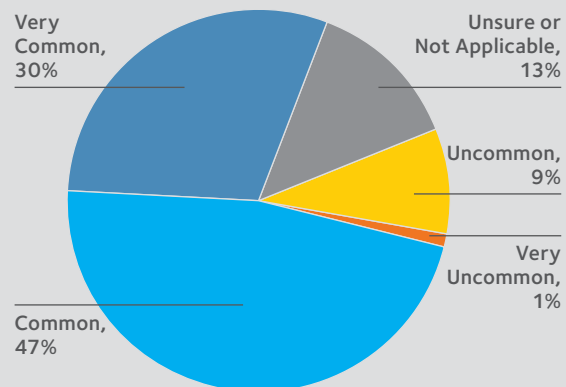
How are Measurement and Evaluation Responsibilities Distributed Across Your Team? Percentage of Companies, 2017



N=228

FIGURE 23

Collaboration with Grantee's Measurement and Evaluation, Percentages, 2017



N=225