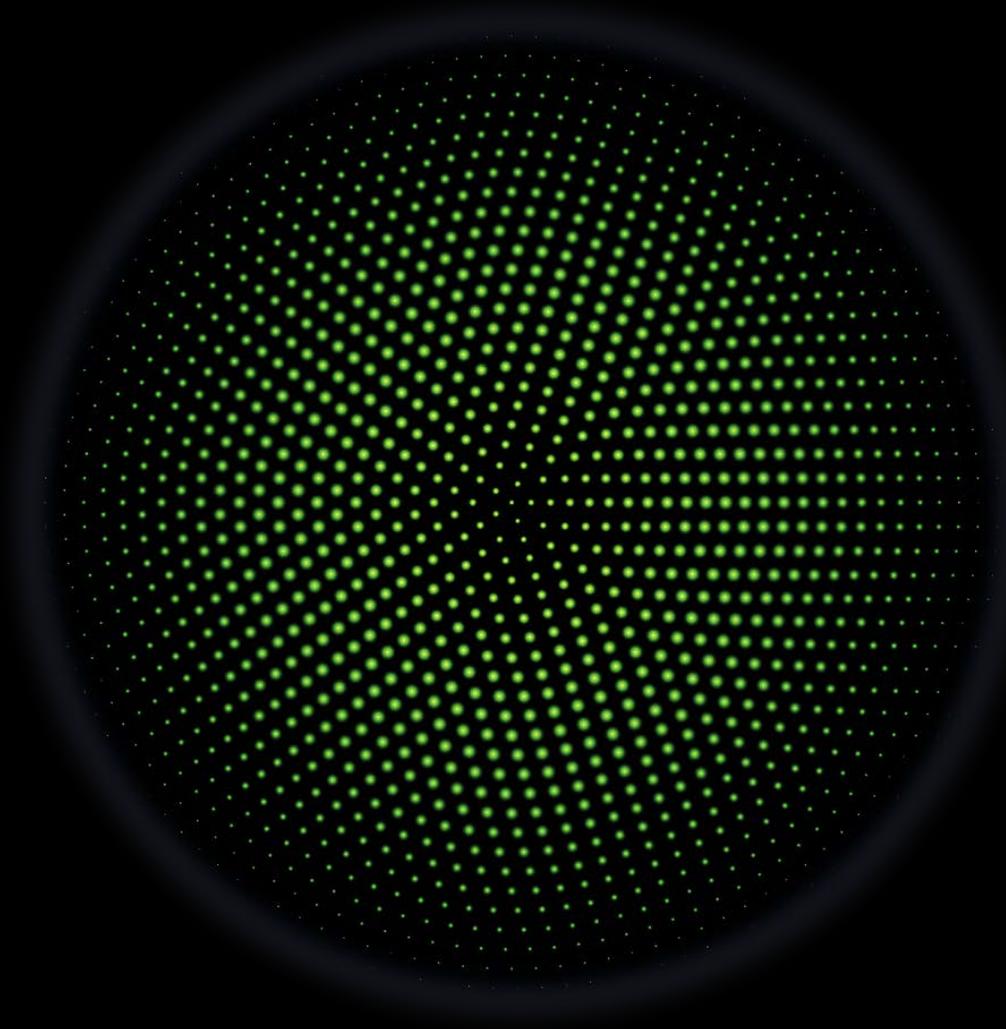


**Deloitte.**



**Creating a measurable impact**  
Deloitte Global inclusive growth survey

September 2018  
Second edition

# Table of contents

Introduction	<a href="#">3</a>
Driving inclusive growth	<a href="#">5</a>
Return on investment	<a href="#">7</a>
Evaluating efforts	<a href="#">10</a>
Conclusion	<a href="#">11</a>
About the survey	<a href="#">12</a>



# Introduction

As revealed by the [inaugural Deloitte Global inclusive growth survey](#) in January 2018, executives surveyed globally across a range of sectors indicated they are acutely attuned to the importance of inclusive growth efforts and a purpose-driven agenda. However, the barriers to making an impact can be substantial.

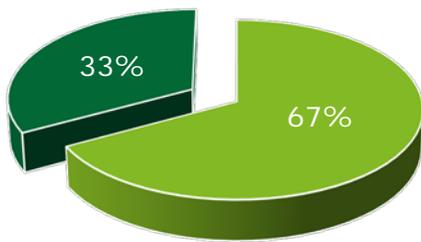
The second Deloitte Global inclusive growth survey took a deeper dive into understanding the inclusive growth efforts being championed by businesses. It explores potential motivations behind those efforts as well as how they are being measured and perceived internally and externally.

Overall, executives appear confident in their approach, and confirm efforts linked to business supply chain or priorities are more effective than those that have no direct connection. According to the survey, more than half (56 percent) of global business leaders surveyed are focused on sustainability efforts such as those related to water, energy, and the environment. Access to education and skills development (42 percent) also ranked high among the areas in which business leaders are directing their efforts.

While internal factors influence the decision-making of senior business leaders, our survey uncovered that external events are playing a major role in determining the types of inclusive growth initiatives businesses carry forward.

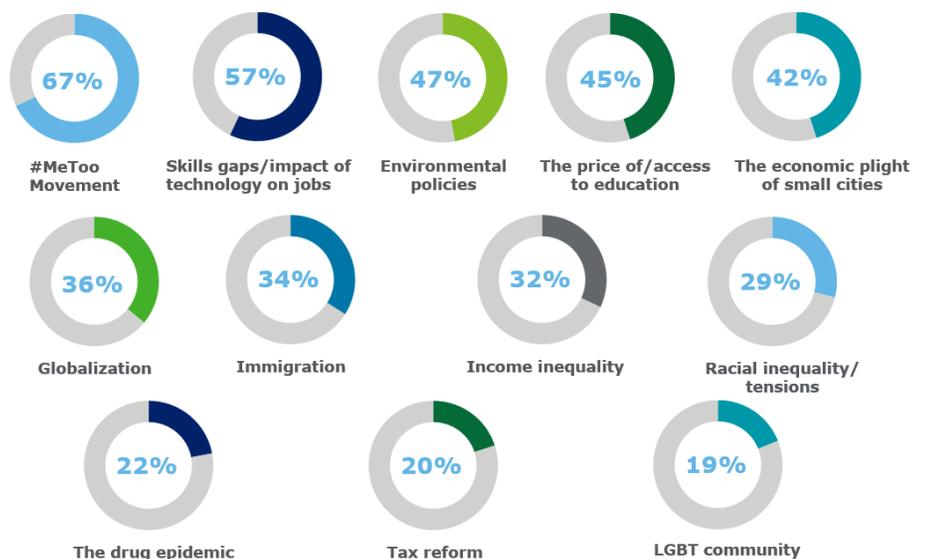
With the onset of the Fourth Industrial Revolution causing rapid economic and social change - which is leaving millions of people behind - there is an increasing need for business-led inclusive growth initiatives to advance access of opportunity for all.

**How has recent news coverage and public sentiment around the topic of inclusive growth and/or social impact encouraged your business to take action?**



- Added to their efforts
- Not changed course

**Which of the following news topics has had the biggest impact on your inclusive growth initiatives?**

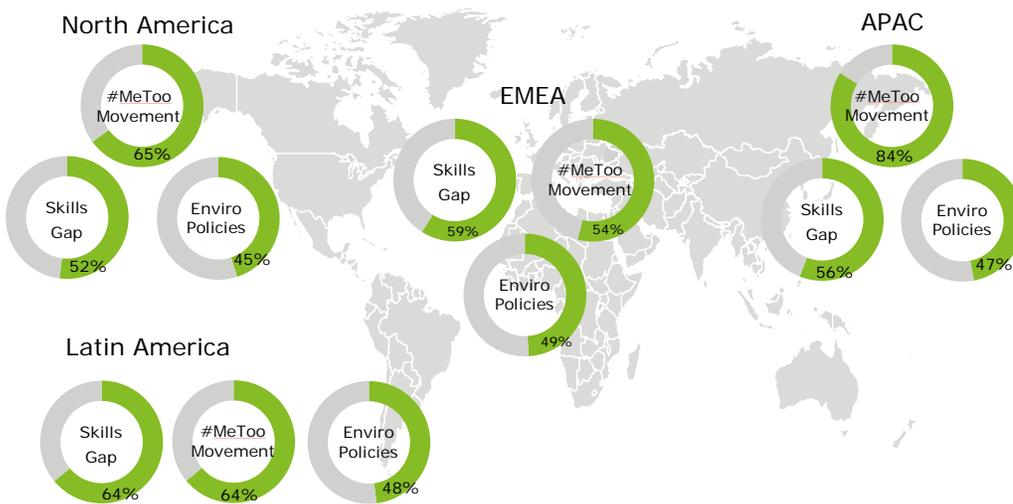


According to the survey, over two-thirds (67 percent) of global executives note external factors such as current public sentiment and media coverage are either encouraging them to reevaluate their current strategies and take new action or are adding momentum to efforts already underway. When asked which news topic has had the most significant influence on inclusive growth initiatives, 67 percent of executives noted the #MeToo movement as having the greatest influence.

From a regional perspective, business leaders in the APAC region were increasingly motivated by the #MeToo movement, with 84 percent of executives highlighting its influence over their inclusive growth efforts.

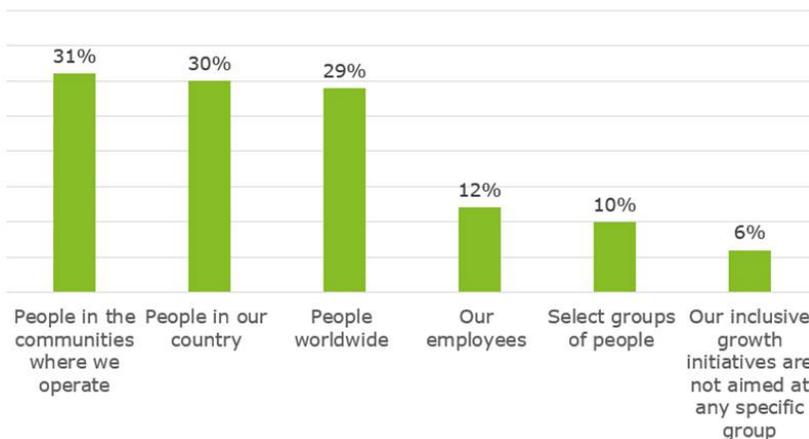
In today's interconnected world, the survey results suggest current news events and social media are having an influence on executives' decisions related to inclusive growth initiatives.

### Regional breakdown of top three news topics



As current events and public perceptions influence executives' decisions related to inclusive growth efforts, it also impacts whom these initiatives aim to help. The survey found that a vast majority of businesses are focused on helping people in their communities and society at-large.

### Whom do your inclusive growth initiatives aim to help?



# Driving inclusive growth efforts: Relationships & resources

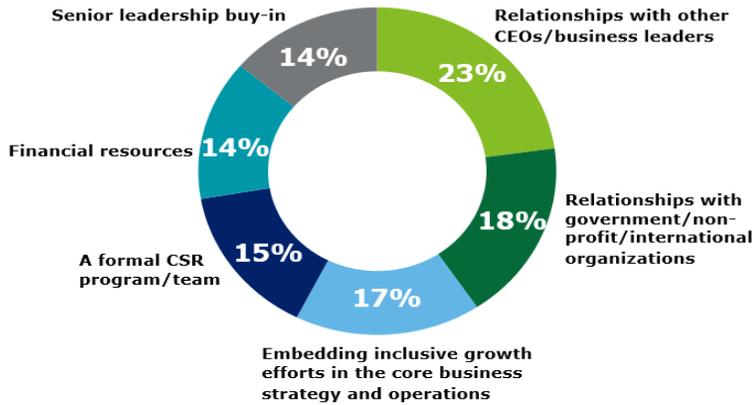


The survey finds that executives value both internal and external relationships to drive impact along with a strategy that is embedded within their business priorities.

Though inclusive growth initiatives take varying shapes and directions, executives are keenly aware of their positive effects. According to the survey, an overwhelming majority of executives see either business or social returns from their initiatives—and they rely on others to maximize their efforts.

The survey shows that relationships are a crucial aspect in driving inclusive growth efforts. Executives indicated that partnerships and collaborations with other business leaders as well as with government and nonprofit organizations are necessary when looking to scale and implement solutions in order to have a lasting and measurable impact.

**What is the number one resource in terms of its importance in ensuring your organization will have a greater impact when it comes to driving inclusive growth efforts?**



\*Some percentages may not equal 100% due to rounding.

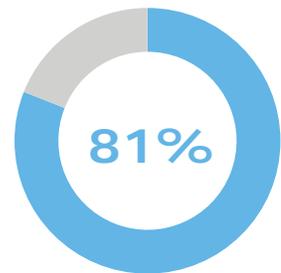
The survey also indicates that executives believe inclusive growth initiatives are more effective when woven into the framework of a business’s overarching strategy – 81 percent of executives surveyed noted that inclusive growth programs are built into business priorities, and 52 percent find such an approach more effective than programs not linked to business operations.

These results suggest businesses are adopting inclusive growth programs and business leaders are prioritizing a top-down commitment to their strategies, while also leveraging external relationships for sustained impact.

Interestingly, the survey found that only 24 percent of CEOs and executive-level leaders drive their businesses’ inclusive growth efforts. Instead, corporate social responsibility leaders (70 percent) or human resources professionals (56 percent) continue to implement and run most programs according to the survey.

With an increased focus on inclusive growth as part of the business strategy, it will be important for inclusive growth initiatives to not only become a C-suite priority, but a C-suite led effort with support from the traditional corporate social responsibility and human resources functions.

**Are your inclusive growth efforts built into your business priorities?**



Yes

**Which types of initiatives do you find more effective in terms of yielding social impact?**



Initiatives that are directly linked to business supply chain or priorities

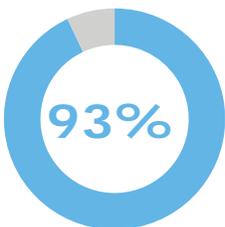
# Return on investment: Measuring internal and external factors



Employee satisfaction reigns as the top return on inclusive growth initiatives.

Currently, businesses appear happy with their returns on inclusive growth initiatives, with a vast majority seeing either business (93 percent) or social returns (97 percent) from their efforts. The most significant return on investment experienced thus far, according to business leaders, is improved employee engagement and retention as well as increased attraction of talent.

**Does your business see a return on investment in your inclusive growth efforts?**



Business returns



Social returns

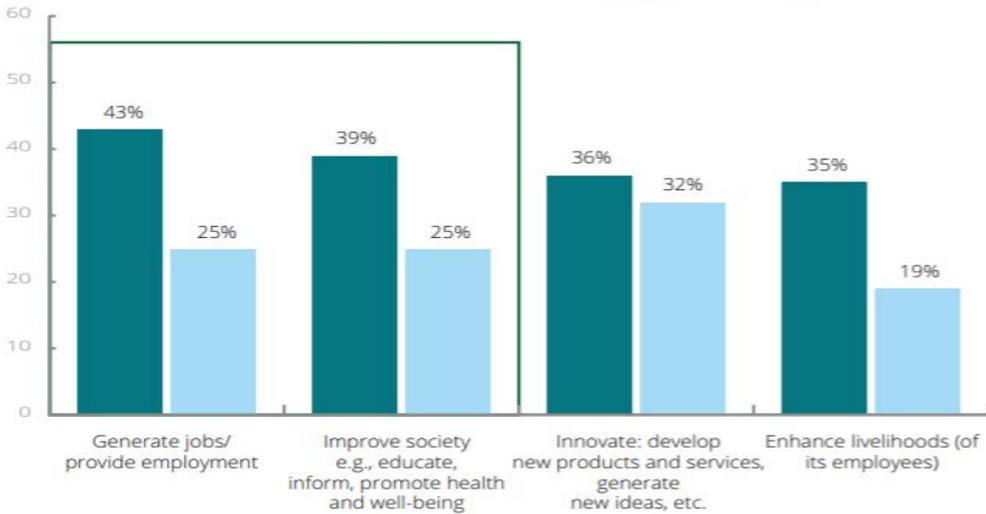
As further supported by the [2018 Deloitte Global Millennial Survey](#), millennials and Gen Z believe businesses should set out to achieve a broad balance of objectives, including making a positive impact on society and the environment. Businesses who respond to that call and place a premium on social impact are often rewarded with employee loyalty. But how does this finding link back to overall business returns around inclusive growth efforts?

**Figure 2. Employers are “out of step” with millennials’ priorities**

Percent of millennials who say...

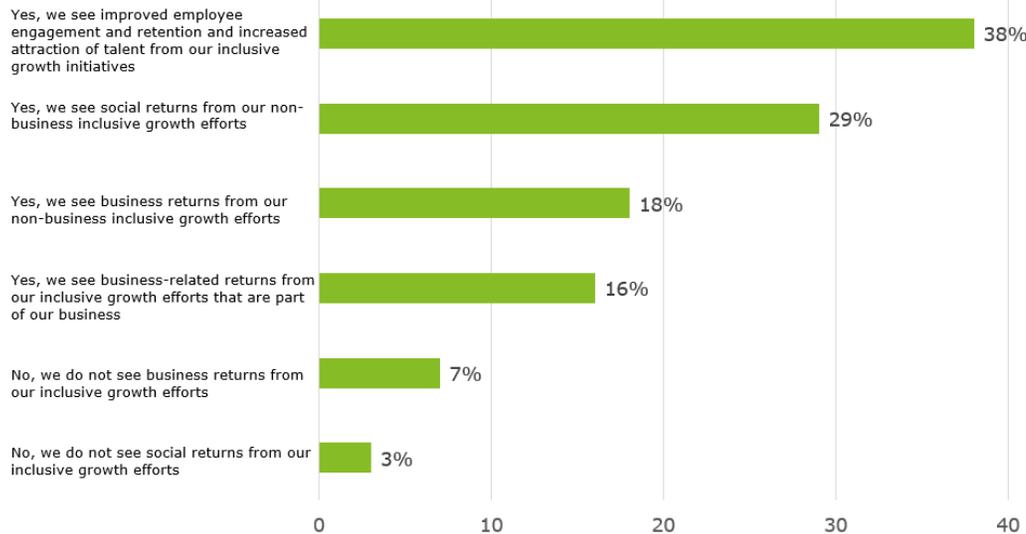
Source: 2018 Deloitte Global Millennial Survey

■ What businesses *should* try to achieve  
 ■ My organization's priorities



While employees are not the only intended group for inclusive growth initiatives, survey respondents often identified them as the number one indicator of an initiative's success. Sixty-five percent of businesses gauge the return on investment of their initiatives by improved employee engagement and retention, as well as the increased attraction of talent.

**Does your business see a return on investment in your inclusive growth efforts?**



Only 16 percent of surveyed executives claimed to use quantitative metrics to evaluate the return on inclusive growth initiatives (e.g., the number of students graduating thanks to an educational program).

**How does your business evaluate your return on investment in inclusive growth initiatives?**

Improved employee engagement and retention, increased attraction of talent	65%
Compliance with government regulations	58%
Perception from other business leaders (i.e. CEO, colleagues)	55%
Direct feedback from program beneficiaries	50%
Public sentiment and media attention/brand equity	46%
External stakeholder feedback (i.e. clients, customers, investors)	46%
Qualitative metrics about the program impact (e.g., improved community relations from a sports program)	19%
Revenue	18%
Quantitative metrics about the program's impact (e.g., the number of students graduating thanks to an educational program or improved air quality thanks to reducing the carbon footprint)	16%

A lack of quantitative metrics may suggest that organizations are struggling to show tangible financial returns from inclusive growth initiatives, whereas measures such as employee satisfaction appear to represent a more feasible non-financial approach.

The absence of measurement based on qualitative or quantitative metrics or by revenue showcases how internal focus areas are currently driving inclusive growth efforts. With employee satisfaction as the top means to measure success, there appears to be a mismatch between the intended targets of inclusive growth initiatives (broader populations) and the initiatives' actual beneficiaries and performance indicators.

Against this backdrop, there is an opportunity for businesses to restructure their approach to ensure they measure their efforts in terms of their impact on populations beyond their four walls. Increasingly looking to quantitative and qualitative measurements regarding the impact on people outside of the company, will help solidify the continued business case for inclusive growth.

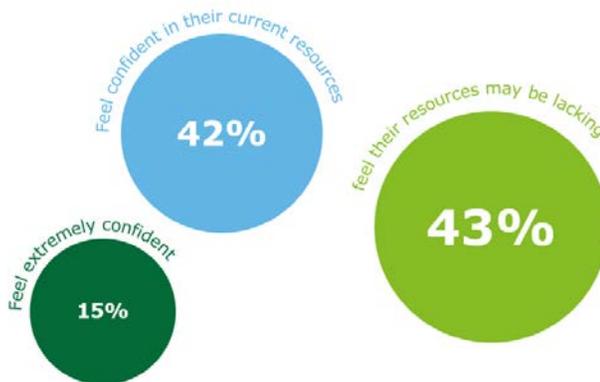
# Evaluating efforts for continued impact

In an age of fast-moving news and social media, messages are amplified quickly, shaping public sentiment on topics such as inclusive growth. In turn, public sentiment is increasingly influencing business leaders' decisions related to societal impact and inclusive growth.

Despite a focus on the rapidly evolving external environment, many businesses do not regularly evaluate their inclusive growth initiatives to allow for nimble responses or quick adjustments, if needed. In fact, the survey found that 88 percent of businesses review their inclusive growth initiatives once a year or every other year.

Considering the potential need to adjust focus areas when new societal trends emerge, it would be beneficial for organizations to conduct evaluations of their efforts more frequently and have the flexibility to allocate resources accordingly.

**To what extent do you feel confident in the resources you currently have to execute your social impact strategy and make progress towards inclusive growth?**



The survey suggests executives are questioning their confidence when it comes to the resources they have to drive inclusive growth efforts. According to the survey, only 15 percent of global business leaders feel very confident in the resources they currently have to execute on inclusive growth initiatives, while 42 percent feel confident in their current position. *This means that 43 percent of executives think that the resources to execute their inclusive growth strategies are lacking.* As such, if executives can more frequently evaluate their inclusive growth programs, there is an opportunity for businesses to look more closely at what resources they will need to fuel continued momentum around inclusive growth efforts and impact both internal and external stakeholders to keep up with the pace of change.

# Conclusion

Businesses are demonstrating their deep commitment to making a meaningful impact as they take on challenging issues such as sustainability and access to education. Moreover, they are responding to calls for action as they react to external influences such as the #MeToo movement and climate change.

However, while many inclusive growth initiatives target systemic challenges with the goal of helping people around the world, businesses are not measuring the impact of their inclusive growth programs on beneficiaries or society in a way that maximizes impact on both external and internal stakeholders. Measurement efforts are still primarily focused on employees more so than any other group. While employee related success will continue to be valuable moving forward, measuring inclusive growth initiatives' broader impact will be critical.

As the survey highlights, businesses measure efforts via financial and non-financial metrics, with qualitative and quantitative metrics sparingly being used to evaluate inclusive growth programs. Often it may take several years for businesses to see progress transpire, which may affect their ability to evaluate and influence the success of these programs on a variety of stakeholders.



So how can businesses refocus their efforts to ensure measurement is at the core and that their strategy is tied to real action and impact for *all* beneficiaries and society at-large?

Leaders must outline and execute a strategy built on regular measurement so that when evaluating their impact, they can be nimble in adjusting their approach. With a rapidly changing news cycle bringing issues top of mind, it will be critical for businesses to invest in systems to better and more regularly evaluate their inclusive growth strategy. We also see the indispensable value of building relationships and collaboration. Moving forward, inclusive growth programs that embed collaboration with a variety of key external stakeholders will likely see sustained success. As business leaders aim to drive inclusive growth, measurement and collaboration will continue to be foundational to making an impact.

# About the survey

## Methodology

Forbes Insights surveyed 350 senior executives globally across a range of sectors. Seventy five percent of respondents are C-Suite executives or board members, while the remainder are VP level and above. Forty three percent of the executives surveyed are from the Americas, 29 percent are from EMEA, and 29 percent are from APAC. All executives are from organizations with a minimum of US\$500 million in annual revenue, with 43 percent coming from organizations with US\$5 billion or more.

## About Forbes Insights

Forbes Insights is the strategic research and thought leadership practice of Forbes Media. By leveraging proprietary databases of senior-level executives in the Forbes community, Forbes Insights conducts research on a wide range of topics to position brands as thought leaders and drive stakeholder engagement.



#### **About the Deloitte Societal Impact Commitment**

Addressing the complex challenges society faces today has become a mandate for business, and one that requires a new mindset for action.

Deloitte is taking action through WorldClass, a societal impact initiative to empower 50 million futures by 2030. Our ambition is to create pathways for people to fulfill their aspirations and find meaningful work in the new economy. The Deloitte network is also empowering women around the globe, promoting environmental sustainability, investing in new insights and methodologies, and serving clients to fulfill their purpose.

Deloitte is committed to responsible business practices, serving the public interest, and making an impact on society. Learn more about our commitments [here](#).

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