

# Internal Impact Investing: The Case for A Happy Workplace

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Unhappy employees cost U.S. businesses \$450-550 billion annually.<sup>1</sup> The top 25 percent of engaged workforces experience 70 percent fewer safety accidents.<sup>2</sup> The happiness, engagement, and loyalty of employees impacts the bottom line of businesses. Yet, when organizations consider employee wellness programs, the conversation often bypasses serious

investment in meaningful social-cultural impact and focuses instead on a narrow definition of wellness and of program success: money in, money out. At On the Goga, we're changing the conversation. As a Philadelphia-based corporate wellness company with the guiding principle "Happy People Do Great Things," we bring social impact into the workplace by helping our clients create comprehensive and culture-driven corporate wellness programs that focus on a multi-dimensional approach to employee health, happiness, and success. Our program design process aligns with our client's organizational goals, creating a framework for meaningful, internal changes that impact a variety of organizational assets. We call this method "Internal Impact Investing."

## **What is Internal Impact Investing?**

"Internal Impact Investing" is the act of investing within your organization to create positive social and environmental impact, yielding financial returns in traditional and new asset classes. Culturally aligned wellness programs consist of an evolving framework of initiatives, experiences, and policies that work together to create measureable impact on the health, happiness, and success of your organization. The core characteristics of these programs, or investments, are much the same as traditional impact investments.<sup>3</sup>

- **Intention** -- For an impact investment to succeed, it's crucial for the investor (in this case, the

organization) to understand the value of, and seek out positive social and/or environmental impact, within their organization. These “Companies that Care” seek to practice their values in every lateral of their business operations, and put the quality of life of their employees and community at the forefront of organizational design. They understand that the physical, emotional, social, financial, and environmental wellness of their team directly impacts their quality of work, and is a core part of their value proposition.

- **Return Expectations** -- “Internal Impact Investments” are made with the expectation that the investment of money, time, and/or energy will return to the organization through a variety of unique KPI’s. While the type of organization and the type of investment will determine the type of ROI that is expected, these internal impact investments should always be strategically aligned with an organization’s multi-level goals.
- **Range of Return Expectations and Asset Classes** – “Internal Impact Investments” may in fact result in short-term cost savings. However, much like external impact investing, internal impact investments create new asset classes. While a leadership development program and a green commuter program will create different returns, some of the asset classes that we help our clients measure are: retention, employer brand, cross-department collaboration, waste

eliminated, employee loyalty, social dynamics and morale, emotional intelligence, operational efficiencies, health claims, and even customer experience. Determining your organization's range of return expectations is a core part of the internal impact investment planning process.

- **Impact Measurement** -- As with any meaningful investment, tracking and reporting on the investment is a crucial element for continuous growth. One unique element of internal impact investment reports however is that they present an asset class in themselves. For example, we help our clients compare employee feedback in a comprehensive annual report. This report outlines all the community and wellbeing initiatives, programs, and policies we implemented in that year. It compares qualitative and quantitative feedback from employees (and sometimes customers), and is often full of captivating images of the experiences and results. These reports can be shared with keys stakeholders, clients, and potential new-hires. and the images and videos captured during the year can even be shared on social media to deepen brand awareness and loyalty.

## **Creating a Culture of Impact**

While internal impact investing is not limited to employee wellbeing, a comprehensive wellness program is a uniquely impactful place to start. Below is an action path

for designing an investment-level wellbeing program:

## **1. Intention Planning**

The best programs begin with leadership alignment and collaboration. Take the time to understand your organization's multi-level strategic goals. Then outline your company's purpose, mission, and values, noticing where and how your internal and external actions align with these principles.

Next, gather employee feedback. An employee wellbeing program should be built with direct feedback and collaboration from the employees it is meant to serve. Don't limit data collection to interests, ask employees what elements of their job brought them to work at your organization, what keeps them there, and what they struggle with. Town halls, focus groups, and surveying are all powerful tools for opening up this dialogue.

## **2. Initiative Selection and Expectation Setting**

When designing your program, it's important to consider larger initiatives, and the experiences and policies that support them. For example, a green commuting initiative may include a policy where employees are rewarded with incentives when they bike or commute sustainably to work, as a lunch and learn series on how to make sustainability a daily practice. Choose one to three annual initiatives, and a handful of realistic policies and experiences that will work to support them.

Once you have chosen your initiatives, it's time to set expectations for how your program will advance your goals. Identify which key performance indicators (KPIs) signal success. For the previous example, a unique KPI for a green commuting initiative may be carbon offset, miles biked, number of employees engaged in the program, or even any relevant changes in employee perceptions around how environmentally conscious the organization is.

### **3. Measurement & Reporting**

Depending on your chosen KPIs, measurement methods will vary widely. In general, surveying is a great way to collect employee feedback for both qualitative and quantitative changes. As mentioned above, the way you capture and report on your wellbeing program can create independently valuable assets. To carry through our example of a green commuting initiative, ask your employees to share photos from their green commutes. These photos can be showcased on company marketing materials. Even the simple act of listing your cultural investments in your recurring materials showcases how your company invests in their team, creating appeal for potential new hires.

### **4. Evolution**

Truly impactful wellbeing investments are not one-and-one solutions. They are portfolios of initiatives that evolve

over time based on performance, feedback, trends, and organizational changes. Use your measurements and reports to guide the evolution of your program, not just grade it. Continuously ask for feedback from every level of your organization, and diversify your reach as much as possible.

## **The Bottom Line**

Internal impact investing is the act of investing within your organization to create positive social and environmental impact, yielding financial returns in traditional and new asset classes. The range of return and asset classes will vary based on your organization and your investment, but can include: talent acquisition, innovation, sustainability, employer brand, productivity, and employee happiness. Determining your organization's unique KPI's is a core part of the internal impact investing planning process. Because employee morale, engagement, and loyalty are so impactful to an organization's bottom line, a comprehensive and culturally driven wellness program can provide a meaningful framework for an internal impact investment. Tracking and measuring your investment is crucial for optimization, and the reports and deliverables generated have the potential to add value as their own unique asset class.

## **Works Cited**

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