
Book Review: The Corporate Social Mind: How Companies Lead Social Change from the Inside Out

Title: Book Review: The Corporate Social Mind: How Companies Lead Social Change from the Inside Out

Author: Hilary Pearson

Published in: *The Philanthropist*

ISSN: 2562-1491

Date: September 24, 2020

Original Link: <https://thephilanthropist.ca/2020/09/book-review-the-corporate-social-mind-how-companies-lead-social-change-from-the-inside-out/>

Date of PDF Download: October 29, 2020

The Corporate Social Mind: How Companies Lead Social Change from the Inside Out, by Derrick Feldmann and Michael Alberg-Seberich, Fast Company Press, Austin, Texas, 2020; 232 pp; ISBN: 978-1734324808

Are the most successful corporations those that focus primarily on the financial value they create for shareholders? Or can they be even more successful if they integrate explicitly social and environmental, as well as financial, value creation into their thinking and practices? Put another way, are companies more successful when they define their purpose in social as well as business terms?

The Corporate Social Mind persuasively assembles the evidence for a strong yes to the second question. Written by two long-time researchers and advisors in the social impact space, this book is primarily addressed to a corporate audience. Yet it could be read with equal value and interest by leaders of non-profits, including foundations, who want to achieve more social impact through partnerships or collaboration with business leaders.

The growing popularity of new thinking the authors offer can be seen, among other places, in the naming of Mark Carney as a United Nations Special Envoy on Climate Action and Finance, a position designed to encourage more attention being paid to climate issues in private sector financing and operations. Elsewhere “stakeholder capitalism” is currently a hot topic in leading voluntary sector publications. See, for example, recent pieces in the *Stanford Social Innovation Review* on “The Rise of the Corporate Social Investor” and “The B Corp Movement Goes Big.”

Derrick Feldmann and Michael Alberg-Seberich have contrasting but complementary backgrounds. [Alberg-Seberich leads a consultancy in Germany](#) working with companies and foundations on corporate social responsibility, impact investing, and philanthropic strategy. Feldmann is an American who advises companies, causes, and movements on how to drive public interest in social change. Both have worked with corporate clients who typically separate teams around corporate social responsibility (CSR) or philanthropy from business operations, marketing, and communications.

They were intrigued by the possibility of creating a single “corporate social mind” that integrates a company’s assets and skills for combined business and social impact, an approach that “makes life better” for people and society. The authors are determined to prove that it is possible and necessary to break down the silos that separate CSR units and/or corporate foundations from the typical business functions of production, research and development, investment, marketing, and sales. While they come at this from a very practical perspective, their thinking inserts itself into the topical debate around reimagining capitalism for sustainability and the long term.

The book is structured around the “traits” that, in the view of the co-authors, define a business with an integrated corporate social mind, which is a view that incorporates social impact into every aspect of a company’s work, or, as they say, that “keeps society on your mind.” Impossible, you might say! But the book provides many examples of European and North American companies that exhibit a corporate social mind: Salesforce, Levi Strauss, Danone, Mondel?z, IBM, Siemens, and others.

These traits could be synonymous with the mindsets more typically associated with non-profit organizations: articulated and lived values, a focus on benefit to society, a willingness to get proximate or listen to beneficiaries, a willingness to work collaboratively, the courage to advocate, the commitment to measurement of impact, an openness to innovation. Interestingly, the qualities of business leadership identified by the co-authors also resonate with non-profit leaders: authenticity, bravery, patience, trust, commitment.

One of the drivers of this book is the research that the authors have done on the social issues that matter to the consuming public and the expectations that the public has of companies to act or take a position on these issues (more about this ongoing research, with reports as recent as July 2020, can be found on the [website](#) developed by the co-authors). This research reveals the impact of changing public awareness of the role that business can play in advancing social progress on issues beyond the immediate business needs of a company.

Businesses don’t exist in a vacuum. Companies have relationships with the communities in which their employees and customers live. Companies exist in a green natural environment that can destroy or enhance their assets or supply lines. Companies need strong governments and courts to support and protect their assets and employees. Companies need to recruit and hold on to motivated employees. All these needs propel companies to act in ways that go beyond business itself. Examples in the book include the efforts of Mondel?z, a global snack food company, to support sustainable cocoa farming practices and to develop good nutrition information and practice, or Levi Strauss’s commitment to protection of the civil liberties of highly vulnerable populations, or Renault’s approach to supporting the mobility of marginalized people.

Unsurprisingly, the research data reveals a particularly strong awareness and emphasis by the consuming public on corporate commitment to environmental sustainability. We have all seen a shift of business towards sustainability in production, reductions in plastic packaging, greater attention to corporate operational impacts on water, air, and soil. But this book reveals that there is much more going on in the business world around social purpose than what might be cynically viewed as “greenwashing” activity. One of the great contributions of this book is the set of eight interviews with corporate leaders in Europe and the United States across a large spectrum of business, from pharmaceuticals to fashion retail, food production, and car manufacturing. The stories told in these interviews are informative and eye-opening about the impact that a socially-minded corporation can have on mental and physical health, protection of rights, support for the most vulnerable, social justice, and inclusion.

To enhance its value as a learning tool, the book is peppered with “design and innovation” questions for teams to ponder in making decisions and considering new strategies. For example,

- How does this decision affect the company, people, society, and the environment?
- Is this decision anchored in our corporate social values?
- What do we need to know to enter into a collaboration or partnership with community on an issue?
- What societal challenges could drive our business innovation?

Many of these questions would be useful for a non-profit organization to consider as well, especially if it is thinking about proposing a collaboration or designing a social innovation with a corporate partner. The two chapters on innovation and collaboration would be particularly interesting for social purpose organizations, given the increasing complexity of the issues that challenge us. We do see more collaboration across sectors and co-creation with others whether in innovation labs or in settings where leaders are open to cross-boundary thinking. Whether it is reduction of plastic in the environment, designing education curricula that open doors for marginalized youth, or creating more opportunities to access good food in food deserts (all examples in the book), collaboration amplifies resources and affords scale. Similarly, business innovation and social innovation can build on each other for social good.

The authors note that “social innovation is the space in which philanthropy, government, and business seem to feel most comfortable in exploring partnerships”(p.162). This suggests that non-profit leaders could open new possibilities for their work if they think about corporations not just as sponsors, event donors, or sources of volunteers for projects, but as partners in design, delivery, and even advocacy, depending on the issue.

This is a hopeful book. The examples and interviews paint an encouraging picture of how the business mindset may be evolving. One of the things that I would like to have understood better is how the European corporate sector, particularly in northern Europe, has moved more quickly than the business sector in the US to the adoption of a social mindset. Companies such as Unilever have led the way here and the corporate social mind is a fact in many European boardrooms. This may be because Europeans businesses have responded historically to a societal role that is broader than in the US. The Sustainable Development Goal (SDG) framework, for example, has been taken up by more European businesses to set strategic targets and measure societal impact. It would be interesting to have a more explicit comparison of these differences.

More importantly, I would have liked to see more commentary on the role of markets and investors, not just consumers, in shaping a corporate social mindset. Investors and markets recognize that companies that are environmental polluters and carbon consumers are running reputational and consumer risks. Initiatives by major investors such as [Climate Action 100+](#) are pushing corporations to take action on climate change. But investors do not yet reward corporations that are actively pursuing social as well as business goals. This touches on the running debate over capitalism for the long term versus short term. Until US markets and investors themselves begin to value and rate a corporate social mindset as an asset, business leaders may see it as a sideline and not as the main show. CSR and corporate philanthropy will remain important but not integrated add-ons.

Nevertheless, there is room for optimism. This book is a valuable addition to the growing literature that may turn the tide in the boardroom, as millennial consumers demand more social action, and the world goes through the shock of a pandemic that upends thinking about sustainability, the needs of the most vulnerable, social injustice, and the roles of government, business, and civil society.