



The Social Impact Initiative

# Transforming society with social capital



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## Foreword

In recent years the issues facing Japanese society, the Japanese government and the private sector have expanded to a variety of contexts, and the external environment is changing at a rapid pace. In this day and age, accurately and swiftly performing the work we are asked to do is not enough to change society on its own. It is therefore those organisations and companies that seek opportunities, daringly take on challenges and obtain the necessary management resources that will be the ones to change society. To solve the social issues surrounding us and the companies where we work, we must move ahead while diving into spheres, fields and industries with which we have no previous connection, and gain the involvement of people we have yet to encounter.

At PwC Consulting LLC, a group of people from various divisions and of various job grades who shared the desire to create a better society came together across those boundaries in 2019 to establish the Social Impact Initiative, a new initiative that embodies the PwC Purpose, 'to build trust in society and solve important problems'. Those of us involved in the Social Impact Initiative aim to create a society in which we create collective impact, and believe that through the process of promoting various initiatives we can cultivate social capital in the form of interpersonal relationships, and use this as a means to change our society.

Society continuously maintains a state of equilibrium, but when internal or external forces unbalance this equilibrium, conventional organisations and mechanisms can become unable to sufficiently respond. Even in today's uncertain society, however, there are people who imagine a brighter future and hope to pursue initiatives towards that future. But it is difficult for any one person to develop a grand vision on their own, and more difficult still to realise it. Nevertheless, if we pursue such initiatives in tandem with like-minded colleagues it is possible to hold on to our big dreams. And this is exactly why we believe that, to change society, the most important factor of all is the building up of social capital. In this report, we aim to set out the lessons we have learned through the initiatives pursued as part of the Social Impact Initiative, in a manner that anyone can use. We hope that this





report will be of help to those of you who wish to launch initiatives within your own companies or organisations, and those of you who have problems to solve but are unsure of how you should take them on. We also hope that it will lead to our readers building social capital within your own companies or together with our Social Impact Initiative, and to the creation of collective impact.

## Structure of this report

This report is composed of seven chapters.

In Chapter 1 we consider the difficulty of achieving a grand vision on one's own, and the importance of approaching such a vision with like-minded colleagues. Such an initiative will need to be launched by a small number of people who take 'ownership' of it, and Chapter 2 explains the necessary factors for doing so. In Chapter 3, we then focus on the sort of leadership and support that are needed to help such initiatives overcome the troubles they face after launch.

Chapter 4 considers methods for creating the 'community' that serves as the dynamic force in promoting initiatives. Initiatives that are created with a community at their core develop into network organisations, and increase their influence as organisations. This process is described in Chapter 5.

In Chapter 6, we explain the rationale for how it is possible for networks to become the source of social change in the form of social capital. Finally, in Chapter 7, we put forward some suggestions on how to use social capital to change society. At the end of the report, we provide some examples from our Social Impact Initiative to aid your understanding.



# 1 The difficulty of realising a grand vision on one's own



Every day we take in large quantities of information, hear about what is happening in society and learn about important issues that need to be solved. However, although we may think 'We can't leave this situation as it is', or 'There must be some way of solving this', the number of people who actually take action is very small. Even when we think that something should be done, the social systems that we face are so complicated that the scope of necessary considerations is also vast. And on top of this, the changes in our society are occurring at a rapid pace. We therefore tend to shy away from even pressing issues as something impossible to deal with ourselves, and can be unable to even start thinking about what sort of approach should be taken to deal with them. We tend to be dominated by pessimistic ways of thinking, such as 'If this problem was solvable, surely it would have been solved a long time ago.'

In one sense, of course, these ways of thinking are correct. The fact is that social systems are complex by nature, and are becoming more complex all the time. Information is rapidly updated, new rules appear one after another, and we are desperately trying to keep up with

the speed of change. Under this state of affairs, doing something on our own to change society is extraordinarily difficult—even nigh on impossible. Any one person on their own has an overwhelming lack of knowledge, skills and experience, and even if we think about taking the first step, the sense of fear we have about the risks and damage that may occur if things don't go well can be unsurmountable. We think that help may be possible if only we had a more positive perspective. Our powers of creativity are also inadequate. Since we are only able to think as an extension of our own experience, our ideas may seem to be no more than commonplace notions.

Going forward, however, the important thing is the idea that if we engage in such initiatives with like-minded colleagues we might be able to think about great things on a wider scale.

To make a grand vision a reality, it is essential to bring together like-minded colleagues. One these like-minded colleagues have come together, the idea that great things are possible will follow, as will the desire to face society head-on.

## 2 How to launch an initiative



The incubation of an idea, its development into a vision, and the launch of an initiative all begins with a person or persons who will assume ownership. This person must question the status quo, mistrust of the so-called 'common knowledge' of presuppositions, and be determined to see things through to the end.

There are four factors required of the person or persons who assume ownership when launching an initiative.

**Figure 1. Factors required of those launching an initiative**



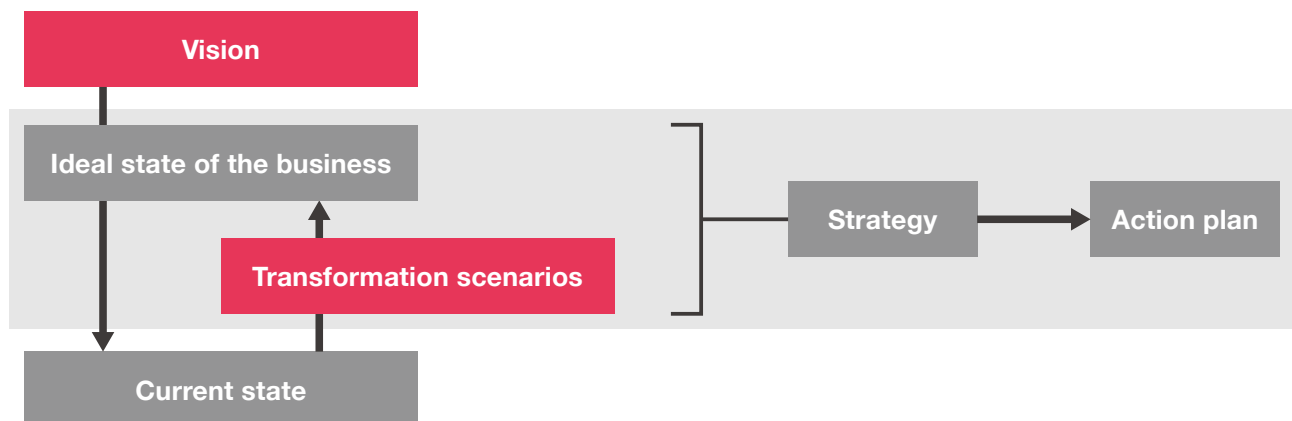
## (1) Narrative storytelling

First of all, the owner or owners must be able to describe their ideal vision. If the vision is too abstract, it will be difficult to understand, and if it is too concrete, it will be difficult for others to feel that it is worth pursuing. It is this vision that is absolutely vital for making others feel like they can relate to that view of the world, or that they think the society described in the vision would be ideal, thereby attracting like-minded colleagues to tackle the problem

together.

If an individual attempts to do everything by themselves, their vision tends to be small-scale, but if the original owner sets the premise of assembling a group of like-minded people, it becomes possible to sketch out a grand vision. Create a vision in which many people join forces to achieve something, and use that to formulate a grand design.

**Figure 2. Relationship between the original vision and transformation scenarios**



Source: PwC, based on Why People Fall into Strategy Pitfalls by Hiroyuki Itami

Ordinary business launches start with suggestions about the ideal future state of the business. An approach is adopted in which a person or persons share with the others involved a strategy and action plan derived from a theoretical thought process, and those others involved faithfully follow the established strategy and plan.

With narrative storytelling, on the other hand, emphasis is placed on the vision and the transformation scenario that will be used to realise it, rather than on strategies and action plans. Ideally, narrative storytelling will also be something that can be appreciated intuitively and emotionally, rather than in terms of theoretical logic.

We recommend incorporating the four key points shown below, and to use a vision- and transformation-centric approach by imagining the sort of world you want to create and the sort of paths you want to use to promote transformation.

Make others understand your way of thinking, and evoke in them the sense that they might also be able to help in the realisation of your vision. The key is to share a common vision, and allow others to have their own targets and objectives under that vision, which may differ from yours. In an ideal situation, everyone will be working toward the same goal, even if different people act in different ways to achieve the vision.

- **Talk about your set of values:** Speak about what is of the utmost importance to you, and your ways of thinking.
- **Incorporate your own experience:** Mix in your own experiences, observations and knowledge.
- **Get across your opinion:** State your opinion about what you think should be done and what you think.
- **Show your emotions:** Display the emotional factors that are the source of your actions – suspicion, outrage, anger or whatever else you may feel.



## (2) Community production

To bring together everyone's individual strengths and ensure cooperation as you approach the initiative together, the owner needs the ability to build a community. By 'community', we mean a place where the resources and supporters needed to realise the target vision come together to form a single force, and a place where people can act and think together towards the realisation of the target vision. These community production skills are extremely important, and are given greater attention in the section in Chapter 4 entitled 'How to create a core community'.



## (3) Entrepreneurship

When launching an initiative, either internally or externally, entrepreneurship is essential.

Entrepreneurship depends on the owner's ability to support themselves and the other core members of their team during the launch period, and to maintain favourable relationships with sponsors. During the launch period, an entrepreneur will go from pillar to post in an effort to drum up opportunities for the project while also securing immediate benefits. They must also maintain leeway in terms of time, and continuously polish their vision, update their strategies, and incubate new ideas.

An entrepreneur will also need to create new interpersonal relationships. They will need to identify what sort of people, skills and knowledge are required to create something new, and reach out to involve the people who

have those skills and knowledge, either inside or outside the company.

The most difficult thing is that once the initiative has started to make its presence felt, the owner will be given more and more well-meaning advice by those around them. They will then need to filter out the advice that does not fit in with the ideas and action guidelines at the roots of the initiative, and adopt a tough stance in which they can ignore inappropriate advice as necessary, even if it comes from a colleague. The future of the initiative rests upon by whether the owner can withstand a lot of criticism, resistance and setbacks, maintain their concentration without being distracted by background noise, march ahead down a road that is far from smooth.

## (4) Activist advocacy

When people start something new, they universally face resistance to one degree or another from those around them. The start of something new can be regarded as an objection to the ways of thinking that have previously been considered the norm, and those who believe that the conventional ways are best are likely to display a reluctance to accept the new. The greater the impact of what you are trying to do, the greater the influence it will have on existing mechanisms, and the greater the need, therefore, to act with precision and perseverance.

It is therefore important not only to explain to those around you that your activities are significant, but also to

examine the reactions of others, seek to minimise resistance, and then plan together a strategy that will maximise impact. Try to understand what other people see as important, tell them what you can provide, and seek to deepen mutual appreciation.

It becomes the job of those launching an initiative to also change the surrounding environment. They can win support by using a great deal of time and energy, repeatedly conducting educational and advocacy activities, and raising the level of awareness and thereby creating something significant.



### 3 How to support an initiative



Initiatives are launched by those who take ownership for them, but the people who are truly indispensable are those who can exercise ‘servant leadership’. These are people who, in order to support the initiatives of the core members of an initiative, work as sponsors to acquire management resources in the form of people and investment. And it is without a doubt the initiative’s vision that links together the core members and the sponsors who exercise servant leadership.

The word ‘leadership’ may tend to evoke the image of a single leader pulling along their team members, but we interpret servant leadership as taking a chance on your team members’ dreams and guiding them while also supporting them. In this way, servant leadership differs from the conventional idea of ‘leadership’ as approving strategy, checking progress and pointing out areas for improvement. It means checking how close you are to achieving your vision, while simultaneously listening closely to what your team members are talking about, and acting from time to time as a sounding board for them to bounce new ideas off on. Even if servant leaders feel uneasy about their progress, they trust their team

members and watch over them, and if the initiative reaches an impasse, they are also the people who take the lead in mobilising the distribution of in-house management resources.

Furthermore, during the launch period of an initiative, leaders are surrounded by an enormous variety of complex information. Even after establishing a grand vision and setting off to achieve it, those around you may have a variety of conflicting opinions: Shouldn’t you tackle an initiative with greater profitability? Hasn’t someone else already tried this idea? On top of that, if it appears to those on the outside of the project that you haven’t achieved any results, others may assume that you are free, and ask you to work on other jobs instead.

To achieve the initial vision, a servant leader must take charge of providing an environment that facilitates improved concentration among team members. It is important to intentionally create a ‘structural gap’ between the initiative and the rest of the organisation, to nurture creativity amidst a certain degree of isolation.



## 4 How to create a core community



As mentioned in Chapter 2, a community is a place where the resources and supporters needed to realise the target vision come together to form a single force, and a place where people can act and think together towards the realisation of the target vision. A community brings together the passion of each individual toward to the vision, as well as each individual's desire to take on a challenge, and creates from it a single force and a united voice. This united voice has the potential to change the environment and support the purpose of the initiative itself, and its power increases gradually over time.

When creating a community, it is not enough to simply create a feeling of 'connectedness' in terms of excitement and atmosphere. A community should also be a framework for collaborative thinking and the creation of collective knowledge, which can be used as a foundation for people to work together to start something new. The following five key points are essential for building a core community.

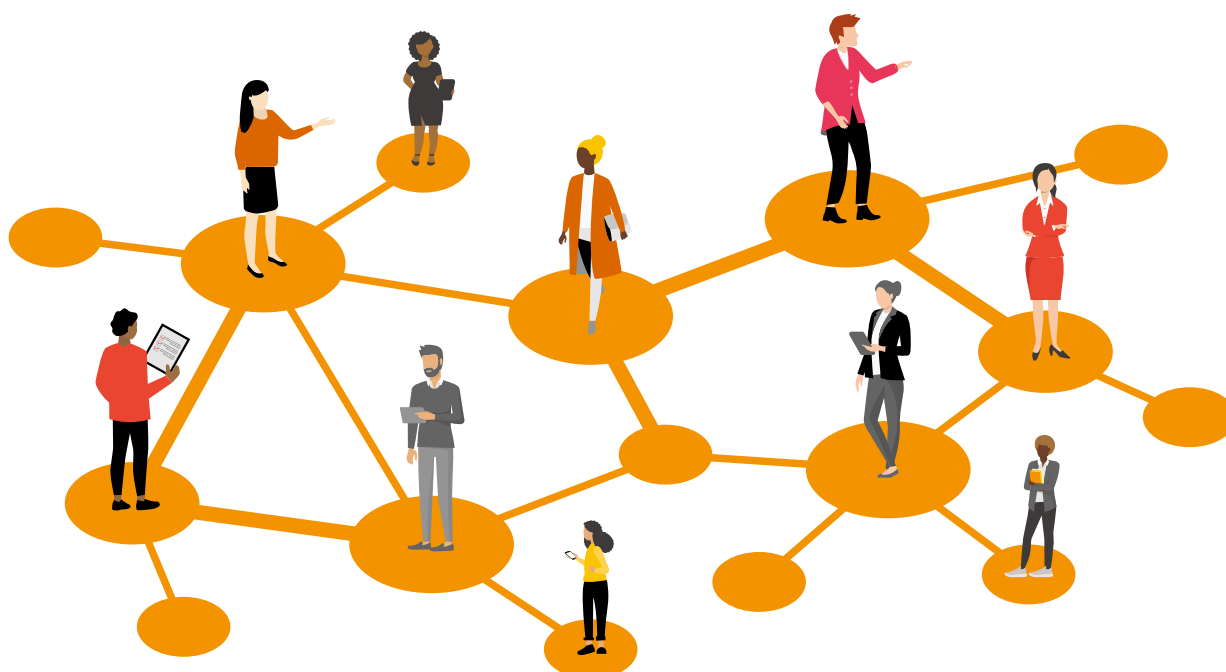
### (1) Maintaining 'the strength of weak ties'

At the heart of almost any community, those with close relationships and a great deal of passion for the initiative come together to give off a great energy. But while strong ties among the core members provide the initiative with a powerful inertia, those on the periphery may see this as intimidating, feeling that they themselves are not capable of generating such passion, and can even see this inner core as difficult to approach. To make the community an influential entity and a place where the target vision can be achieved, it is very important to gain the involvement of a variety of people who share the vision, irrespective of their level of passion or knowledge, increase interpersonal ties, and enlarge the community.

An ideal community will display 'the strength of weak ties', a concept proposed by the US sociologist Mark Granovetter. Granovetter's theory is that people with weak social relationships are more likely to provide novel information than people with close, strong social relationships. In other words, because the information held by those close to one another is likely to largely overlap, it is more likely that valuable information will be provided by those who are not particularly close to the core group.

The design of a community, therefore, should aim to bring together people and organisations who previously had no connection or only weak connections to one another, and make the community a place for heightening creativity.

Figure 3. A network connected by many interpersonal ties





## (2) Loose coupling

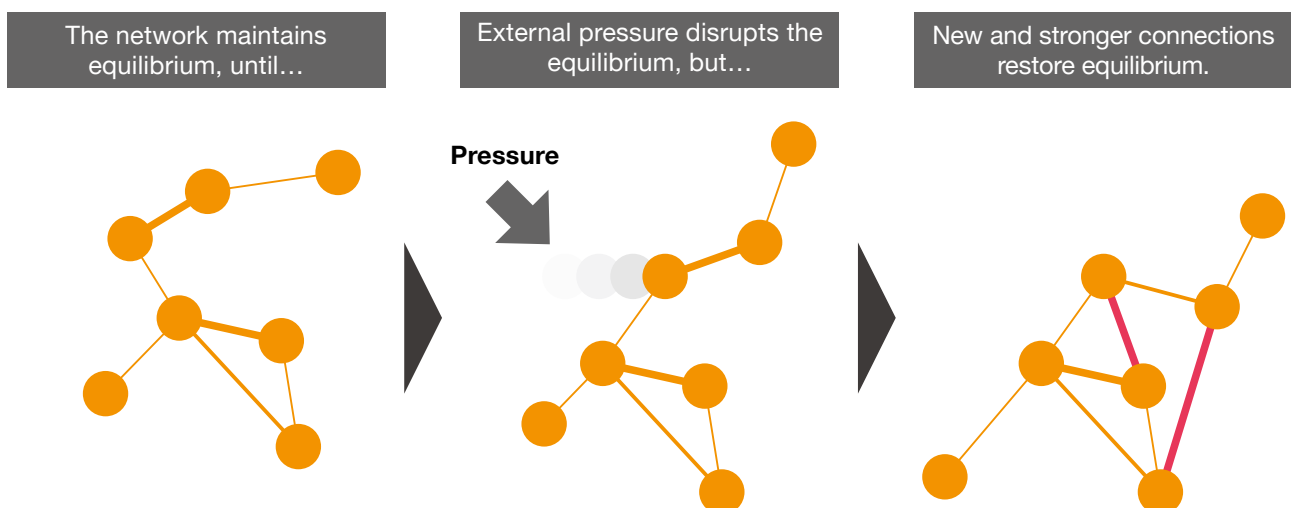
The ideal community will not be centred on a core group of specific members or managers who lead the generation of ideas, but will bring together a large number of entities in a state of 'loose coupling'. The closeness of individual relationships and the information and knowledge that is exchanged is entirely left to individual discretion. The relationships between individuals and between organisations come together to form the community as a single network. A network based on loose coupling continually maintains its equilibrium, and even when that equilibrium is disturbed by an internal or external force, the flexibly interconnecting relationships that make up such a network can be restructured and changed.

For example, when an organisation is faced with something new that cannot be dealt with by using only its current knowledge, the lack of ability to understand or deal with the situation can shake the organisation, adversely affecting performance. Because most organisations are structured around strong interpersonal

connections among their members, they often try to deal with situations within the bounds of that existing structure, without changing those existing relationships. However, at organisations based on loose coupling, the relations among individuals can be flexibly restructured to absorb the shock of a new situation. These organisations can therefore generate solutions without being bound by conventional ways of thinking. This ability to 'self-organise' effectively enables the organisation to adapt by changing the structure of its own connections, maintaining an optimal state of equilibrium.

The pursuit of creativity brings together individuals with a comparatively diverse range of thoughts and opinions, creating the need for a symbiotic mechanism. This allows the community to adapt to new situations with the flexibility of loose couplings, while also maintaining an appropriate degree of internal variance, thus improving the ability to adapt as a network.

**Figure 4. Loose coupling**



Note The dots (●) represent people and the lines the connections between them. The thickness of the lines indicates the strength of connections.

Under normal circumstances, networks maintain their equilibrium, as shown in the diagram on the left. But when a new issue or situation occurs, it exerts external pressure on certain people and connections, as in the middle diagram. When the external pressure cannot be fully absorbed by the network (people and connections) in its current state, the overall equilibrium is thrown out of balance. To address the situation, new connections between people are generated and existing connections strengthened, and, as shown in the diagram on the right, the optimal state of equilibrium is regained.

Source: Created by PwC with reference to Network Organization Theory by Kenichi Imai and Ikuyo Kaneko, and Network Organizations: New Vision from Social Network Perspective by Naoki Wakabayashi

### (3) Mediation by knowledge brokers

To bring together people and organisations who previously had no or little connection, the presence of brokers who can act as intermediary among multiple groups and organisations is indispensable. Although organisations within a community usually have some sort of tie with one another, those ties can be either strong or weak depending upon the type and amount of information that the organisations exchange, and the frequency at which they do so.

When the bridges among organisations are weak or fragmented, it can be difficult to pursue significant cooperative efforts, which can lead to lost opportunities. Under these circumstances, brokers act as intermediaries to smooth the course of communication and distribute information, knowledge and more. This not only creates an interorganisational conduit, but also allows for the exponential growth of relationships as brokers bring in bridges and relationships of their own.

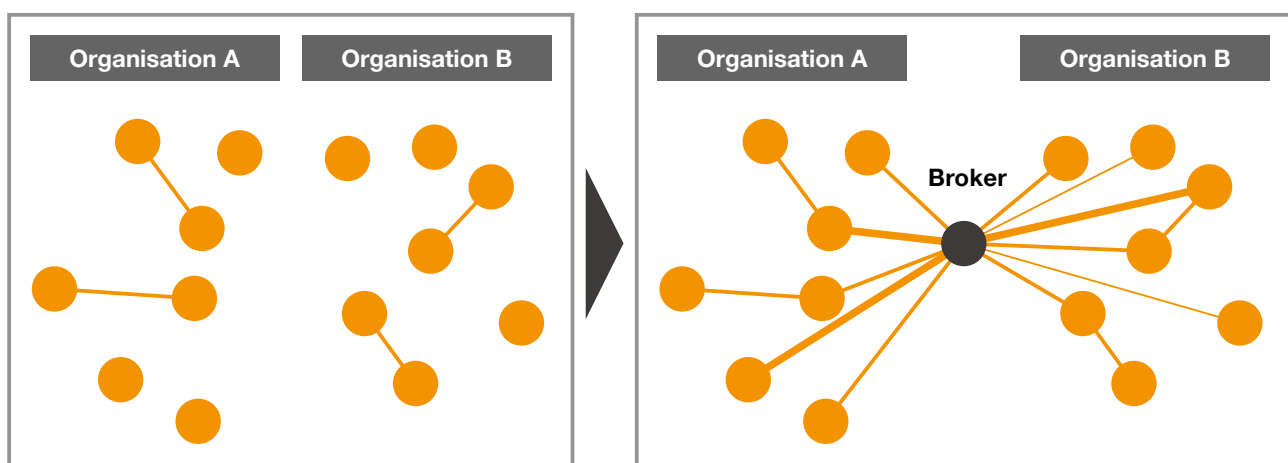
Because brokers use their professional perspective to limit the information and knowledge shared through these relationships to that which can be expected to be mutually profitable, this ensures that the information and knowledge shared is new, fundamentally unique and profoundly interesting – something that people are not likely to encounter in the course of their usual interactions – and can be used as a resource from which to generate new value.

It is worth noting that mediation by brokers usually follows one of the five patterns in the table to the right, and that patterns 4 and 5 can lead to the rapid expansion of information exchange networks that previously would have been closed off within the target organisation.

- 1) Broker coordinates relationships among members of the target organisation
- 2) Broker introduces members of other organisations to members of the target organisation
- 3) Broker introduces members of other organisations and members of the target organisation to one another
- 4) Broker introduces members of the target organisation to members of other organisations
- 5) Broker introduces members of two other organisations (neither of which is the target organisation) to one another

Source: Created by PwC based on Society and Economy: Frameworks and Principles by Mark Granovetter

**Figure 5. How broker mediation can help to expand networks**



Note The dots (●) represent people and the lines the connections between them. The thickness of the lines indicates the strength of connections.



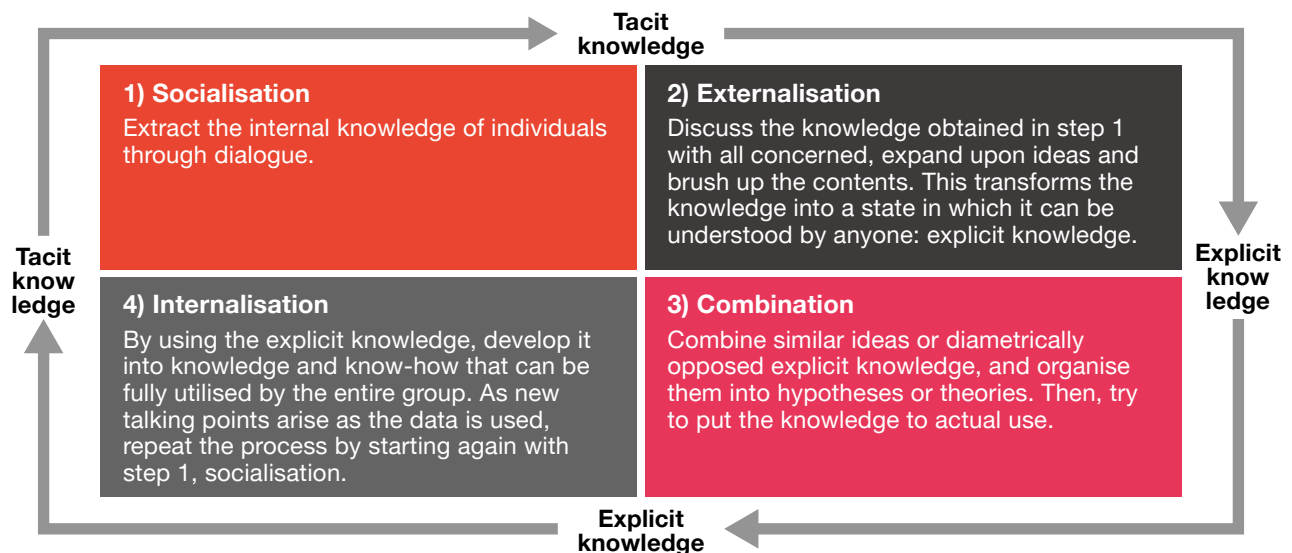
#### (4) Collaborative thinking and the creation of shared knowledge

As we mentioned at the beginning of this chapter, when launching an initiative, it is not enough to simply create a feeling of ‘connectedness’ in terms of excitement and atmosphere.

To enable the organisation to use its new knowledge as a group — to create ‘shared knowledge’ — the SECI (socialisation, externalisation, combination, internalisation)

model, as shown in Figure 6, can be effective.\* The SECI model is a process in which the tacit knowledge of individuals is transformed into explicit knowledge, enabling everyone to use it. This process can be used to repeatedly create, update, and optimise shared knowledge in a virtuous cycle.

**Figure 6. Process for creating shared knowledge**



Source: The Knowledge-Creating Company by Ikujiro Nonaka and Hirotaka Takeuchi with additions by PwC

The process starts with one person talking about their own experience and thoughts. Then others share their own knowledge on the matter. In the next stage, a common understanding is reached, and the knowledge is transformed into shared knowledge that can be used by everyone in the group. As the shared knowledge that arises from this process is used, new information comes to light, and the group continues to update the information. In this way, the SECI model process

transforms the tacit knowledge held by individuals into explicit knowledge to be used by the group.

Today’s society is undergoing drastic changes, and we must keep up with them. But it is impossible for any one person to know everything on their own. It is therefore crucial to incorporate the process of thinking together and creating shared knowledge.

#### (5) Incorporating humour into serious efforts

Leaders seek to maintain a community, make effective use of networks and realise their vision together with their team members. But as initiatives become more serious, it becomes more difficult to manage conflicting opinions, and the resulting setbacks can even keep an initiative from taking off. At such times, incorporating a little humour can help everyone shift their perspective of the situation. By putting aside negative thoughts, speaking plainly and coming up with ‘punchlines’ that take an objective view of the ongoing situation, you can help transform a tense environment into a positive one.

Humour is also important for the group to exercise the full extent of its creativity. Humour makes it easier to say

things that would otherwise be difficult. If people feel at ease and are not overly concerned about what the reaction of those around them will be to the ideas and opinions they have carefully nurtured, bold shifts in thoughts become possible, and the courage to take on challenges thrives. And strangely enough, it becomes easier to cope with stress.

In fact, it is precisely at those times when you feel boxed in that we recommend using humour to dispel the negative atmosphere and equip yourself with the fortitude to overcome difficult times through unconventional methods.

\*The SECI (socialisation, externalisation, combination, internalisation) model is a model proposed by Ikujiro Nonaka and Hirotaka Takeuchi to clarify the process of creating organisational knowledge.

## 5

# Consolidating the initiative with a hierarchal organisation



During the course of an initiative, although the key vision remains positioned as the core, as the members involved pursue various efforts to realise, a variety of sub-initiatives will also arise. Although some of these may be of an amorphous nature, it is important to identify opportunities, resolutely prioritise the taking of risks, and decide for yourself whether to be involved in each sub-initiative. In this way, initiatives that start with just a few people become network organisations with an emphasis on mobility.

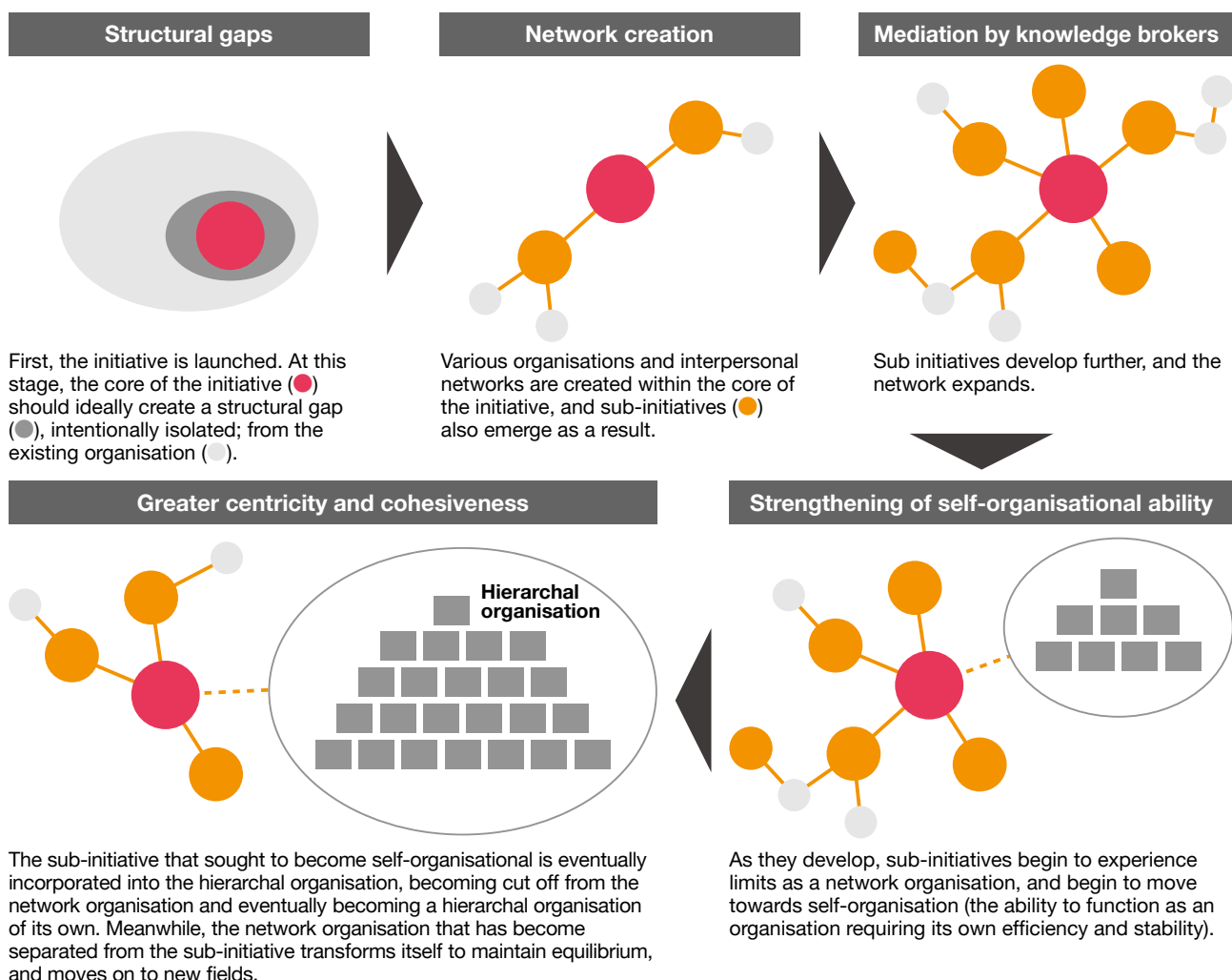
Those launching each initiative must coordinate to ensure that initiatives nearing the expansion phase do not greatly intersect with other initiatives at their core, and take care to prevent unnecessary tense relationships. They must also refine their strategies so their visions and ideas do not become greatly entangled with those of other initiatives and carefully consider ideas to ensure

uniqueness before making their next move.

Sub-initiatives that have reached a certain scale also have many resources, and as they start to generate a degree of profit there are limits to the degree to which they can operate as network organisations. Sub-initiatives that aim to grow even larger start to become more profit-seeking, efficiency-centric and stable organisations. These are absorbed into hierarchal organisations, and begin the shift toward becoming a new pillar of the existing business.

With the consolidation of a sub-initiative into a hierarchal organisation, an initiative that began as a network organisation can finally gain general acceptance and approval. The criticism and opposition that many initiatives face in their earlier stages decrease, and the initiative becomes increasingly recognised as something that can foster new possibilities.

**Figure 7. Growth and transitions of a network organisation**



Source: Based on Accelerate: Building Strategic Agility for a Faster-Moving World by John P. Kotter with additions by PwC



## 6

## Transforming the networks we create into social capital



However powerless we may be as individuals on our own, if we interact with those around us, and those people go on to further connect with others, our interpersonal connections expand, resulting in both a sense of camaraderie and thoughtfulness towards others. It is in this manner that social capital, which gives us the hope of being able to solve problems and to be of use to society, is accumulated.

The fundamental concept of social capital' is defined by Michael Woolcock and Deepa Narayan as follows: 'Intuitively, then, the basic idea of "social capital" is that one's family, friends, and associates constitute an important asset, one that can be called upon in a crisis, enjoyed for its own sake, and/or leveraged for material gain.'

Considering the fact that we have hitherto been told that the economy of the individual depends not on their education, knowledge and experience but on their circle of acquaintances, social capital places an equal emphasis on the 'human capital' that determines an individual's productivity. And when seen as the sum total of the economy of a group, it can also be seen as the source of financial capital.

Furthermore, one of the features of social capital is that it benefits not only specific individuals but also brings external and public benefits to groups. Even people who do not intentionally belong to particular network can be influenced by or reap the benefits of the propulsive or suppressive forces that spread within the network. This can be regarded as a capital with an extremely high public benefit.

## 7

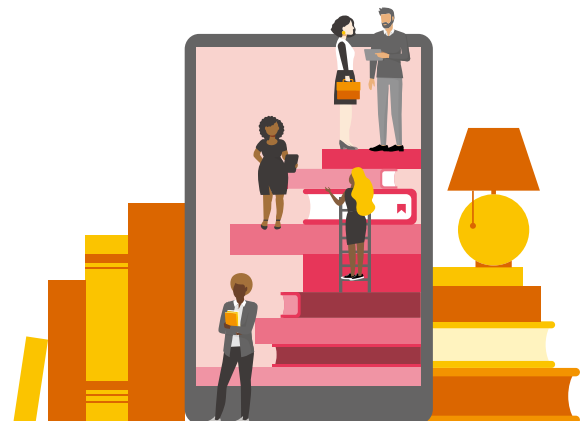
## Changing society with social capital



For initiatives, corporations and groups or entities to create and maintain social capital, a great deal of time and energy, as well as the presence of widely experienced brokers, is necessary. Social capital that has been created through this time-consuming process has the capability to change society.

Contemporary society operates based on a system in which people that provide some sort of capital or service receive a return commensurate with what they have provided. This is because our capitalist economy has long believed that each individual pursues their own return, and that it is the act of maximising those returns that leads to maximum benefits for corporations and groups. However, as a result, it has become almost secondary to think about society as a whole. We have become accustomed to only taking care of our own responsibilities.

However, as the world continues to change at a dramatic pace, it has become difficult to achieve anything by using only conventional means. Under conventional ways of thinking, systems and organisations, situations arise in which it is not possible to meet the needs of society. And when we take on new things, or aim to broadly change society, there are limits to what can be accomplished through the direct exchange of value between individuals. For this reason, it is important that networks funded by social capital exercise their power, and make an impact as a way of giving back to society.



# Examples from the Social Impact Initiative

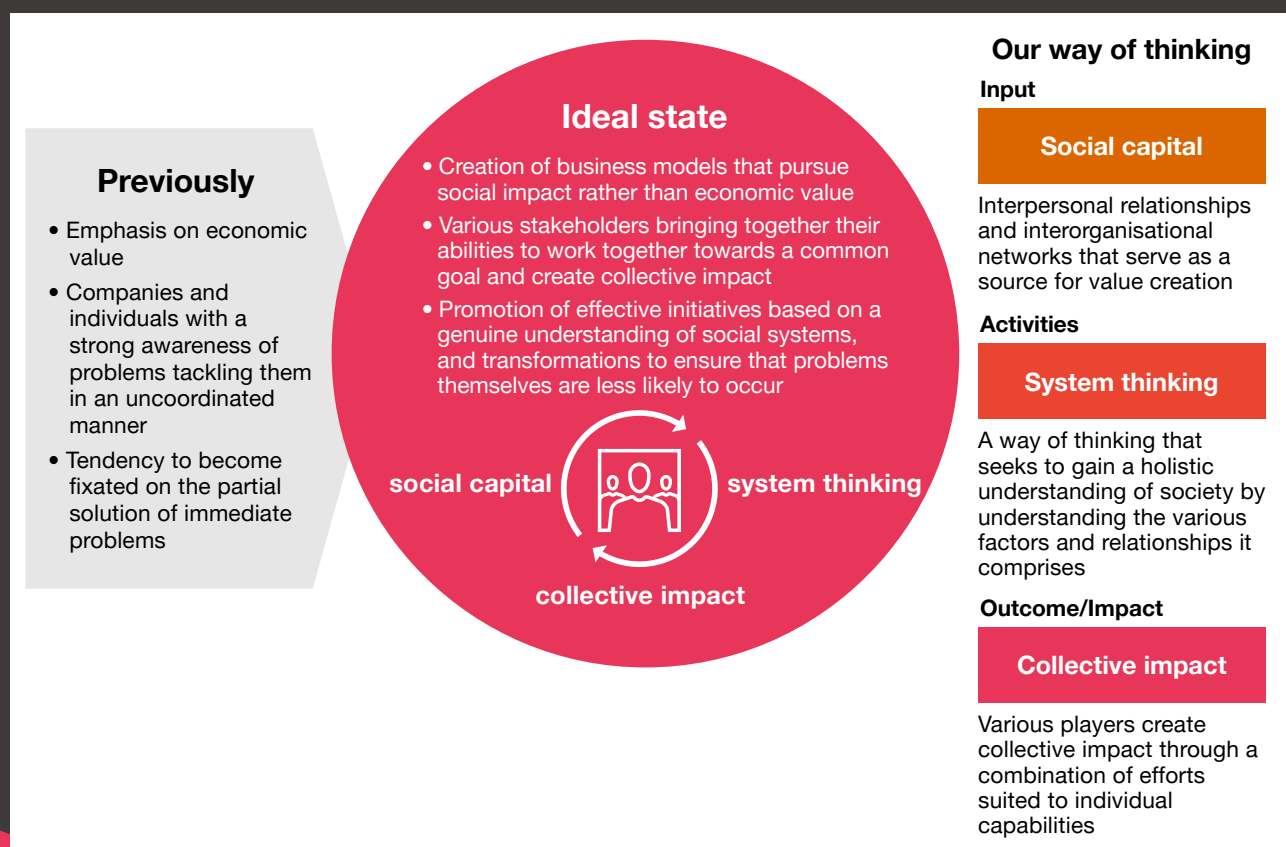
At the PwC Japan Group, our partners and staff make critical decisions about complex problems based on the PwC Purpose, 'to build trust in society and solve important problems', and fulfil our role in collaboration with the PwC global network.

At PwC Consulting LLC, a group of people from various divisions and of various job grades who shared the desire to create a better society came together across those boundaries in 2019 to establish the Social Impact Initiative, a new initiative that embodies our Purpose.

The Social Impact Initiative questions the status quo, in which emphasis is placed upon economic value and each individual tries to tackle issues in a disconnected manner, and pursues social impact as well as economic impact. We aim to gain the involvement of a diverse range of stakeholders in society, and to work towards tackling important social problems with a shared goal, thereby realising a society that creates 'collective impact'.

The Social Impact Initiative's efforts focus on social capital, the topic of this report, as an input that serves as a source for value creation. We steadily nurture harmonious interpersonal relationships and meaningful organisational networks, and use those as capital to solve social problems. System thinking is also an essential part of our activities. In system thinking, we take a holistic view of the situation and of society, and think about social systems by considering the complexly intertwining factors that comprise such systems and the connections among them. This technique is essential to ensure that our solutions are comprehensive and fruitful, rather than ending up as merely partial or direct efforts. We believe that these inputs and activities lead to the creation of collective impact as their outcome and impact.

**Figure 8. The Social Impact Initiative vision**






Those of us who have come together in the Social Impact Initiative are connected by our shared vision of building a society where collective impact is created. What makes us unique is that it doesn't matter if each of us has a different reason for wanting to take on this challenge together. In fact, the slight differences among our motivations make our initiative even more interesting.

While working toward a common end goal, everyone involved in our initiative also sets targets and goals that are important for themselves. This enables each of us to feel the benefits of working on tasks together with colleagues during the stages of the initiative, and makes the initiative a place in where people can truly feel that their actions are connected to the realisation of the vision, which leads naturally to results over the long term.

As we work to construct social capital and create collective impact, it is not enough to only engage in responsive collaborative efforts based on client requests. Amidst the background of today's constantly changing social systems, we must actively and continuously search out colleagues with the knowledge and skills to identify and solve important problems and drive collaboration proactively.

Our greatest strength is the deeper connections we build with others before working together, which allow us to act as a unified group when the time for action comes. We consider this policy to be of great importance.



The infographic features a central pink circle with the text "Bringing together our individual strengths to work towards solving social issues and build a society where collective impact is created". Surrounding this circle are ten grey speech bubbles, each containing a statement from a different person. Each speech bubble is accompanied by a small illustration of a person. The background is dark grey with large, overlapping white and pink circular patterns at the top.

**Bringing together our individual strengths to work towards solving social issues and build a society where collective impact is created**

There are so many people involved in solving problems facing rural areas. Maybe we could play a coordinating role. Does anyone have the necessary knowledge and skills?

I want to introduce a corporate client to that NPO working on child poverty. By working together, they should be able to achieve even greater things.

I would like to see companies be more hands-on in the solution of social problems, which should lead to more possible solutions. As a starting point, I want to work on corporate sustainability transformation!

Would you like to join our community?

I want to work on the visualisation of social problems. I'll work on whatever issue needs attention!

Everyone is so enthusiastic! I'm also interested in solving social problems, but where should I begin?

My specialty is biodiversity. I have lots of colleagues abroad, but want to further advance my network in Japan. Is anyone interested in working together?

My specialty is digital technology, and I'm wondering if there are any areas where I could use that to work toward solving social problems. Is anyone up for an ideathon?

I want to increase people's understanding of aid for refugees and take action, but I'm not sure where to begin. Could anyone who is well-versed on the subject help me with the first steps?

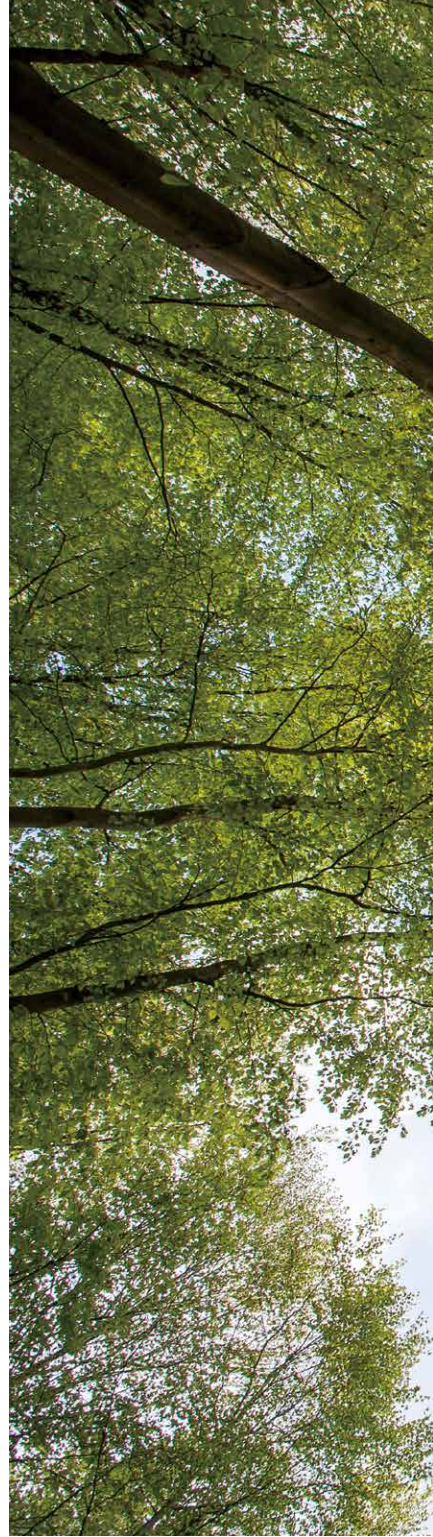
## Afterword

In recent years, many companies have made advancements in their integrated reporting and integrated thinking to pursue not only economic gain, but also contributions to the development of a sustainable society. The International Integrated Reporting Council (IIRC) defines the following six types of capital in its Integrated Reporting Framework:

- Financial capital
- Manufactured capital
- Intellectual capital
- Human capital
- Social and relationship capital
- Natural capital

This report explains and focuses on social capital, which currently garners the least attention, and is the most difficult to define of the six.

Those of us who hope to create collective impact will continue to seek to foster and expand our interpersonal connections, camaraderie and thoughtfulness towards others; build up social capital; and strive to develop it into a resource with which to change society for the better.







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## PwC Japan Group

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In response to our clients' increasingly complex and diverse corporate management issues, the PwC Japan Group has put in place a system that consolidates our knowledge in the fields of auditing and assurance, consulting, deal advisory, tax and legal services, and encourages organic collaboration among our professionals in each field. As a professional services network with approximately 11,500 certified public accountants, tax accountants, lawyers and other professional staff, we strive to provide services that more accurately address our clients' needs.

At PwC, our purpose is to build trust in society and solve important problems. We're a network of firms in 152 countries with nearly 328,000 people who are committed to delivering quality in assurance, advisory and tax services.

Published: September 2023 Control No: I202307-16

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