Gordon Institute of Business Science
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Social impact measurement in hybrid social enterprises

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Abstract

The ethereal nature of social impact measurement makes it a very challenging but also fascinating area of research. The lack of agreement and coherence around what can and should be measured, not to mention how it should be measured, presents both a theoretical and practical quandary to hybrid organisations such as social enterprises. The objective of this research was to develop an understanding of how hybrid organisations measure social impact and in so doing, work towards the development of a generic metric that can be used to compare social impact across different hybrid organisations.

A qualitative approach was used given the exploratory nature of the research and the lack of empirical data related to the topic of social impact measurement. Interviews were conducted across a sample of twelve different hybrid social enterprises. This study found that there is a lack of cohesion around a standardised methodology for social impact measurement, and particularly comparative measurement. This is primarily driven by the subjective and contextual nature of social impact and the environments in which it is measured, coupled with the myriad of agendas, expectations and needs of the broader stakeholders groups on which social enterprises rely.

The proliferation of views and perspectives effectively clouds the issue of social impact assessment and draws attention away from arguably the most important stakeholders of all, the targeted beneficiaries. This research encourages a shift in focus, to view and assess social impact through the lens of the beneficiary and in so doing, develop a measure that will be comparable across different interventions and contexts.

Keywords:

- Social Impact Measurement
- Social Enterprise
- Stakeholders
- Beneficiaries

Declaration

I declare that this research project is my own work. It is submitted in partial fulfilment of the requirements for the Master of Business Administration degree at the Gordon Institute of Business Science, University of Pretoria. It has not been submitted before for any degree or examination in any other University. I further declare that I have obtained the necessary authorisation and consent to carry out this research.

Date: 01 November 2021

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CHAPTER 1: INTRODUCTION TO THE RESEARCH PROBLEM

1.1. Introduction

This chapter introduces the background to the research problem, namely the challenge of measuring social impact in hybrid social enterprises. It then frames the problem an academic and a practical perspective and concludes with the purpose of the study, highlighting the importance of this research.

1.2. Background to the research problem

Hybrid organisations can be broadly defined as organisations that contain elements of both for-profit and non-profit business models with financial sustainability and positive social impact objectives (Castellas, Stubbs & Ambrosini, 2019). This area of study has been the subject of increased interest in recent years as companies look to imbed ethical considerations as part of their structures and strategies in order to respond to social issues while also implementing business plans to ensure financial sustainability (Millar & Hall 2013). The field of Social Entrepreneurship has increasingly integrated this concept of hybridity which has given rise to the importance of incorporating a business ethics perspective when assessing social enterprises. (Villela, Bulgacov & Morgan, 2021).

There is increased academic interest in social enterprise, which is linked to the perceived multi-bottom line achievement through innovative approaches in the combination of environmental, social and financial viability objectives (Millar & Hall, 2013). Social Enterprises (SEs) are also becoming of increasing relevance in the sectors of public service delivery and social value. Being organisations with a dual mandate to achieve financial and social objectives, governance issues can arise as a result of these dual, and at times, competing missions (Liston-Heyes & Liu, 2021). The internal and external tensions that arise from competing objectives cause hybrid identities within SEs (Cornelissen, Akemu, Jonkman & Werner, 2020). These hybrid organisations can thus be contradictory by nature with contrasting ideologies and strategies. (Mogabi, Sutherland & Wilson-Pragley, 2019).

SEs, through their efforts in addressing societal problems, are having to find ways to create a larger impact (Bacq, Kimberley & Eddleston, 2018). These organisations face the challenge of financial sustainability and this need for economic viability could influence the

importance of revenue generation over the need to create social impact (Wry & Haugh, 2018). An optimal system of social impact would enable SEs to effectively demonstrate the value they create as well as to identify operational areas for improvement, ultimately tracking the effectiveness and performance in terms of their social mission (Perrini, Costanzo & Karatas-Ozkan, 2021).

The public and the funding/investment sectors have a vested interest in understanding social impact where issues such as legitimacy, accountability and transparency can be linked to the credibility of an organisation or intervention (Maas & Grieco, 2017). Social impact is broadly defined as prosocial activities that result in positive outcomes which are experienced by targeted beneficiaries ranging from individuals to communities and organisations (Lee, Lee, Kee, Kwan & Ng, 2021).The ability to attract investors is thus a key motivation for social impact measurement which would provide insight on the optimal use of resources and, from a socio-economic perspective, whether they would realise a return on their investment (Perrini, Costanzo & Karatas-Ozkan, 2021). However, the heterogeneous nature of social enterprise means that care must be taken when applying generalised approaches across different contexts and organisational environments (Wry & Haugh, 2018).

This study intends to provide insight into how hybrid social enterprises measure the impact of social interventions with a focus on the process, the key elements and the associated challenges.

1.3. Academic Rationale

From a social enterprise perspective, there is an expectation from funders and other key stakeholders, for SEs to provide monitoring and evaluation reporting on social impact projects (Fowler, Coffey & Dixon-Fowler, 2019). This is in fact, part of a general increase in expectation around organisations' social and environmental responsibilities which has given rise to companies publishing reports on corporate social responsibility (CSR) and sustainability (Lisi, 2018).

According to Lisi, (2018), there is a tendency in existing research to lean towards the environmental aspects of CSR and not give the necessary attention to the social perspective. This could, in part, be due to the less quantifiable and technical nature of social impact when compared to environmental impact. Interestingly, there appear to be

similarities with Liston-Heyes & Liu, (2021) who observe that private sector outputs tend to receive more emphasis than public sector results, given the broader and less quantifiable nature of the latter. This is in line with prevailing traditional accounting perspectives that tend to prioritise financial indicators and measurable outcomes.

According to Rawhouser, Cummings & Newbert, (2019), while social entrepreneurship research highlights the importance of social impact, there appears to be a lack of coherence around standards for social impact measurement. This heterogeneous approach to measurement has implications for hybrid organisations such as SEs. Liston-Heyes & Liu, (2021) build on this idea, suggesting that it is very challenging to compare social impact across SEs due to the varied social missions that are pursued by individual organisations. As such, the concept of social impact is typically self-determined and potentially myopic in focus, aligning to perspectives of funders and potential investors (Liston-Heyes & Liu, 2021).

The dearth of information on standardised social impact measures is concerning and presents an obstacle in the gathering of information and building of a knowledge base around related phenomena (Rawhouser, Cummings & Newbert, 2019). This results in challenges in the development of universally applicable social impact measurement standards. This concern is echoed by Phillips & Johnson (2021), who emphasise key challenges related to social impact measurement in the lack of consensus on the definition of terms such as “social impact” and “return on social investment” where the focus is often on outputs as opposed to actual impact.

There is an apparent disconnect in what is actually deemed as social impact, how it should be measured and what the standardised measure or metric should be.

1.4. Practical Problem

Hybrid organisations can face challenges linked to legitimacy, as such they require the means of transparent reporting to a broad group of stakeholders with potentially competing areas of focus (Tate & Bals, 2018). A number of metrics have recently been made available in order to assess the impact of social and environmental initiatives. (Phillips & Johnson, 2021). One notable example is the Impact Reporting & Investment Standards (IRIS), a free online catalogue of impact metrics developed by the Global Impact Investing Network (GIIN) (IRIS, 2019). The challenge is that while there is adoption

of certain metrics such as the IRIS across social enterprises, it can also be argued that social impact can in fact be seen as a point of negotiation whereby certain metrics are applied on an ad-hoc basis, depending on the nature of the project and the needs of the relevant stakeholders (Phillips & Johnson, 2021).

Much of the available data on social impact measurement has been analysed in the context of developed markets such as the US and as a result, the generalisability of this data in an emerging market context remains unclear (Rawhouser, Cummings & Newbert, 2019). This presents an issue because from a quantification perspective as social impact measurements are primarily shaped by organisational context and internal factors (Millar & Hall, 2013). This would suggest the need for data collection from an array of organisations operating across multiple contexts, linked to the most important aspects of social impact research (Rawhouser, Cummings & Newbert, 2019).

Additionally, the concept of impact is perceived differently in emerging markets in comparison to the developed world. Countries like South Africa do not have a legal registration for SEs, therefore, this may contribute to the impact measurement challenges. If some are registered as private firms, they will be assessed as such, and that will be suitable for the SE context (Myers, Mamabolo, Mugadza & Jankelowitz, 2018). From an African perspective, social impact could be linked to small businesses benefitting from investments, directly impacting the business owners and their employees and indirectly benefitting the surrounding communities and local economy (Mogabi, Sutherland & Wilson-Pragley, 2019).

This is congruent with the literature which suggests that the creation of social value not only aids direct beneficiaries, but can also have an impact on the broader system in which they operate. However, these multilevel impacts are often not taken into consideration for measurement. Therefore, time consideration in impact analyses is important in order to capture the overall impact of an intervention however, this presents difficulties related to the length of time it may take for these secondary effects to be realised (Rawhouser, Cummings & Newbert, 2019).

1.5. Purpose Statement

The objective of this research is to understand how different hybrid social enterprises measure social impact with specific focus on the process, the elements and the associated challenges. The ambiguous and contextual nature of social impact requires flexibility from a measurement perspective. This is in line with Millar and Hall (2013) who suggest that the concept of social value requires a broader perspective that incorporates the contexts of SEs and the local communities that they serve. Rawhouser, Cummings & Newbert, (2019) agree, contending that comparing social impact across multiple contexts is challenging due to the ongoing debates on how this impact should be measured.

Organisations are being held to account for their environmental and social impact with growing political and societal pressure to broaden the traditional profit focus to include issues of social performance (Stevens, Moray & Bruneel, 2015). While there is a need for the ability to track and assess social impact with the means of identifying key indicators that link to appropriate behaviour drivers, there is very little alignment in terms of 'best-practice' assessment measures (Tate & Bals 2018).

Main aim/purpose: The research will provide insight into how hybrid social enterprises measure the impact of social interventions.

Objectives:

- ✓ To investigate the current social impact measurement process incorporated by hybrid social enterprises.
- ✓ To understand which key elements involved in social impact measurement
- ✓ To explore around the main challenges associated with social impact measurement.

The significance of this study is linked to the increasing relevance of the hybrid social enterprise within the social sector and the need to effectively measure the socio-economic performance and efficacy of SEs. This is important given the crucial role that these organisations play in alleviating social issues, which the public, private and non-profit sectors have not been able to sufficiently address (Kroeger and Weber, 2015).

This study will contribute to the existing literature by adding to the knowledge base around the phenomena of social impact measurement. From a practical perspective, this research will broaden views on how social impact should be measured and reported on. This will contribute towards building a framework which will provide a standardised means of measurement for social impact for hybrid social enterprises.

In the following chapters, this report will review the existing literature and highlight the key research questions associated with the research problem. The research methodology and design will then be discussed and defended, before the results and presented and analysed. The study will conclude with key findings, recommendations and implications for future research.

CHAPTER 2: LITERATURE REVIEW

2.1. Introduction

Hybrid organisations have become increasingly relevant given their role in assisting with societal problems that are not adequately addressed by government and traditional charitable organisations (Manning, Kannothra & Wissman, 2017). Hybrid organisations go beyond traditional organisational structures by providing innovation-driven, economically viable solutions to address particular social issues (Lee, Adbi, & Singh, 2020). There is a growing body of research in this area as businesses look to imbed ethical considerations as part of their structures and strategies in order to respond to social issues while also implementing business plans to ensure financial sustainability (Villela, Bulgacov & Morgan, 2021).

The accomplishment of social missions could require fundamentally different mind-sets and approaches when compared to the pursuit of economic objectives, this highlights the importance of integrating different views and perspectives in the management of hybrid organisations (Stevens, Moray & Bruneel, 2015). This sector of organisations is coming under increasing pressure to incorporate public-sector styled management systems while facing obstacles such as cost and lack of resources. This could account for the relatively marginal adoption of social measurement mechanisms by the sector (Liston-Heyes & Liu, 2021). This lag in the measurement of impact could also be associated with the misconception of a non-profit's efficiency being evidenced by low administration and overhead costs, effectively compromising the organisation's means of being able to effectively measure their impact (Phillips & Johnson, 2021).

Existing impact-related research tends to revolve around defining impact measurement. It does not necessarily delve into the impact measurement process of social enterprises and what the associated key drivers are (Maas & Grieco, 2017). Indeed, much of the literature around social impact is focussed on the definition of the concept while gaps remain in terms of the practicalities of the process of measurement and the execution thereof (Grieco, 2018). As result, many prominent studies tend to focus on the activities of CSR and associated stakeholder benefits as opposed to measuring the actual impact on broader society (Barnett, Henriques & Husted, 2020).

Researchers highlight the lack of information around the ability of social entrepreneurs' to

effectively create and measure social impact. The information that is available is typically case study-specific and not necessarily applicable in a more generalised context (Maas & Grieco, 2017). A majority of the empirical research related to social entrepreneurship performance is case study focused. As such, the existing methods of measurement have relevance at an individual level of social enterprise but not necessarily at a comparative or longitudinal level of analysis (Staessens, Kerstens, Bruneel & Cherchye, 2019). As a result, scholars have suggested a need for further exploration on a means of social impact measurement within the social enterprise context (Perrini, Costanzo & Karatas-Ozkan, 2021).

This chapter presents the existing literature relating to social impact measurement. First social enterprises are defined and reviewed in a general and then an emerging market context. Thereafter, the theory of organisational effectiveness is introduced, followed by a section on social impact and a brief comparison of existing social impact methods. The chapter is concluded with three sections which align to the core objectives of this study, namely, the process, elements and challenges associated with social impact measurement.

2.2 Social Enterprises (SEs)

With documented evidence from Victorian England more than century ago, 'Social Enterprise' is not so much a recent phenomenon, but more a concept that has received renewed interest in recent years (Dart, 2004). Non-profit companies face increasing competition in the modern business environment as a result of decreasing donor funding and government subsidies. This has increased the relevance of the social enterprise which can be described as a kind of a non-profit organisation that incorporates a business approach to drive revenue generation in order to achieve its social objectives (Ko & Liu, 2020).

As evidenced in figure 1, social enterprise can be positioned between two poles on a spectrum with full commercial focus on the one extreme and complete social mission focus on the other (Staessens, Kerstens, Bruneel & Cherchye, 2019).

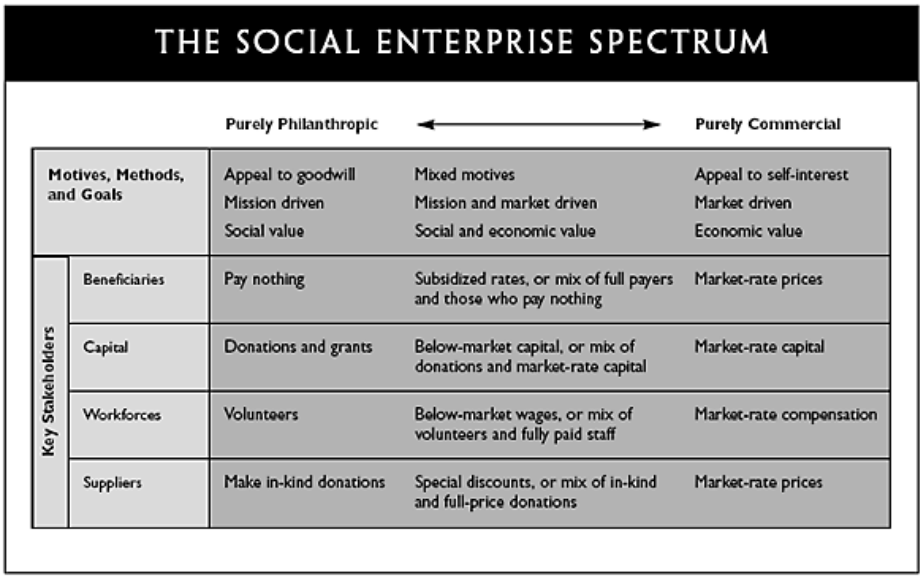

Figure 1: Social Enterprise Spectrum (Dees, 1998)

SEs are social mission driven entities that incorporate economic models of business in order to achieve economic viability or a means to augment their potential impact (Maas & Grieco, 2017). The components of scale and scope are integral to any social mission. Scale refers to the extent of the social problem the organisation wished to address, while scope speaks to the array of operational activities required in order to address the issue as defined by the organisation's operational or social mission (Ebrahim & Rangan, 2014).

The relationship between scale, scope and operation mission is depicted in figure 2.

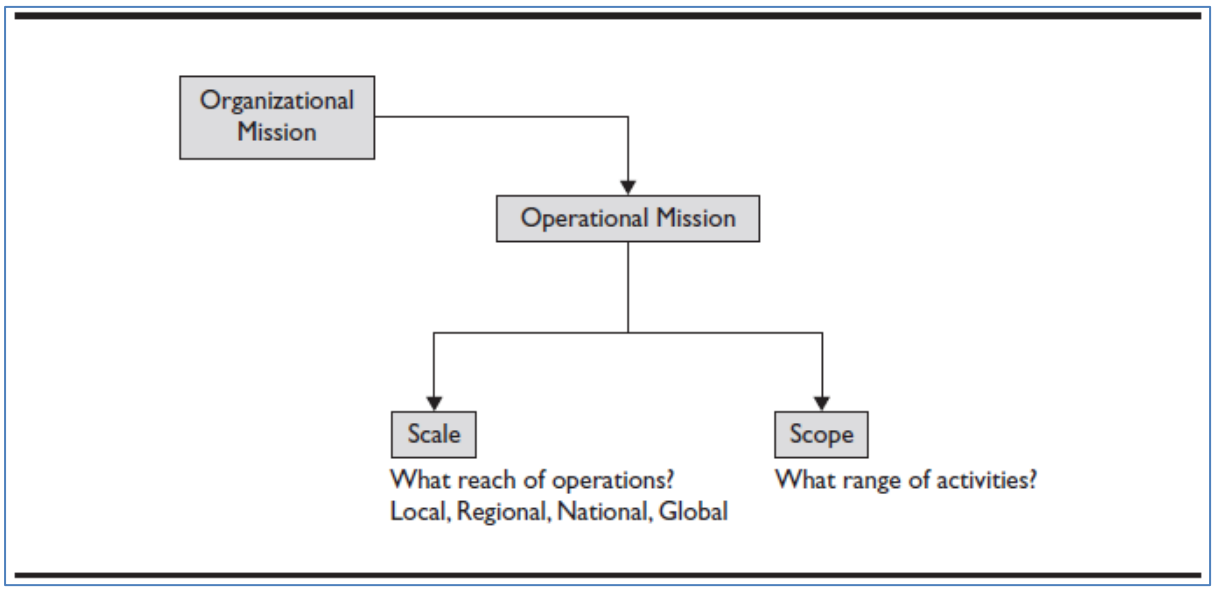

Figure 2: Operational Mission (Ebrahim & Rangan, 2014)

Social enterprise has a number of different definitions, although academics concur that as a rule, social enterprises operate as organisations that achieve social missions by

incorporating business practices (Guan, Tian & Deng, 2020). Unlike non-profit companies which aim to cover their expenses, SEs intentionally aim to make a surplus in order achieve social outcomes and impact. For the purposes of this study, SEs were defined as entities that focus on social objectives while conducting commercial practises to support operations through the provision of products and services (Powell, Gillett & Doherty., 2019).

SEs can be characterised by a focus on social objectives, combined with a trading centrality and relative autonomy in ownership and management. It has been suggested that this amalgamation of social and business objectives can lead to increased levels of innovation and quality improvement as a result of more efficient and entrepreneurial approach (Millar & Hall, 2013).

SEs operate in a hybridised approach, incorporating both charitable and for-profit elements in the purpose-driven pursuit of a social objective, while also maintaining a business focus in order to be sustainable and financially viable (Fowler, Coffey & Dixon-Fowler; 2019). Scholars are drawn to these organisation, given their hybrid nature and need to meet multiple stakeholder needs across various sectors in order to be seen as legitimate entities (Bolzani, Marabello & Honig, 2020).

Battilana & Lee, (2014) suggest that SE legitimacy relies on the integration of activities across resource allocation, culture and structure in order to create value for their multiple stakeholders Powell, Gillett & Doherty, (2019). Indeed, the viability of any SE is linked to a variety of stakeholders which provide the relevant resources and legitimacy for the organisation to prosper. Thus the expectations and priorities of these stakeholders can impact strategic decision making within the social enterprise (Ramus, La Cara, Vaccaro & Brusoni, 2018).

The composition of an SE's board plays an important role in strategy formulation and the resultant focus on performance across social and commercial activities (Ramus, La Cara, Vaccaro & Brusoni, 2018). Directors have an important role to play in terms of internal alignment of the various goals and objectives of the organisation. Employee motivation levels can also be attributed to the creation of social impact and the generation of revenue. Thus hiring and on boarding processes need to adapted to account for both social and commercial objectives (Wry & Haugh, 2018).

SEs can be used as exploratory examples that provide insight into necessary capabilities required to address a wide range of stakeholder expectations, the effective management of resources and the means of achieving sustainability across a triple bottom line (Tate & Bals, 2018). As a result, SEs are held to account by a number of different stakeholders such as funders and foundations , requiring SEs to demonstrate what their money is spent on, what improvements and adjustments are made based on learnings and what level of social impact has been achieved in the pursuit of their social objectives (Maas & Grieco, 2017). Donors in particular, tend to have the authority to hold SEs to account, particularly those enterprises that largely depend on donations in order to be financially sustainable (Jiao, 2020).

The literature highlights the importance of social and commercial advancement in ensuring the sustainability of SEs (Powell, Gillett & Doherty., 2019). However, with the social sector becoming increasingly competitive in light of social and political pressures, there appears to be more incentive for SEs to incorporate an economic and revenue driven approach. This prioritisation of financial indicators could compromise the SE's ability to achieve social objectives (Staessens, Kerstens, Bruneel & Cherchye, 2019). This is in line with Philips & Johnson (2021), who contend that social impact investing, while critical to the viability and sustainability of social enterprise projects, faces considerable challenges linked to a shortages of market knowledge and the necessary financial acumen as well as the difficulty in assessing the actual value of social impact. This issue is further compounded by firms and investors prioritising financial results over social returns (Phillips & Johnson, 2021).

There is also a growing expectation from funders and other key stakeholders for social enterprises to provide monitoring and evaluation reporting on social impact projects (Fowler, Coffey & Dixon-Fowler, 2019). This perspective is echoed by Ormiston (2019) who suggested that SEs and other organisations that pursue a social mission are under increasing scrutiny to demonstrate the impact created through their work in addressing social issues (Ormiston, 2019). What is apparent, is that the SEs that involve community stakeholders in their decision making processes are more prone to incorporate social impact measurement. The same can be said for SEs that rely on funding from government agencies (Liston-Heyes & Liu, 2021).

SE's need to overcome unique difficulties related to developing a hybrid-styled identity through a combination of social and commercial outcomes (Battilana and Lee, 2014). The

complex nature of these hybrid organisations can present social entrepreneurs with a paradox of dual social and commercial objectives. These potentially competing missions can undermine cohesion within the organisation thus compromising the collective ability to pursue the dual mandate of a social enterprise (Smith and Besharov, 2014).

The explicit social mission leads to a presumption that these kind of organisations are more impactful on society compared to normal organisations or corporates, however these assumptions are not typically tested against an actual assessment of impact created as a result of prosocial activities (Maas & Grieco, 2017). In other words, the mere expectation of positive impact is not deemed sufficient without the actual measurement of results of work being done to prove that positive societal impact was achieved.

Effective measurement would provide insight into how a social enterprise intervention changes the lives of the beneficiaries of the project. However there are general concerns among practitioners who question whether social impact measurement can actually capture the real impact of an intervention and whether the outcomes of an intervention are improved as a result of social impact measures being put in place (Molecke & Pinkse, 2017).

This sector of organisations is thus facing increasing pressure to have standardised performance measures in place, however the provision of evidence of this impact is challenging due to a lack of clarity around the application of business models in SEs (Millar & Hall, 2013). While SEs can be very unique in form and context, there is commonality in the kinds of needs and issues they seek to address. This would suggest the possibility for the creation of a broader, more generic metric for assessing social outputs and outcomes and thus, a more relevant means of comparison (Wry & Haugh, 2018). However, despite the availability of numerous performance measurement tools, there is still no standardised approach for measuring social impact in SEs (Mamabolo & Myers 2020).

2.3 SE's in emerging markets

Africa's community organisations are actively involved with socio-economic development needs within communities and provide some of the first examples of hybrid-styled business models. These community focused social enterprises rely on the use of community resources in order to support said communities while also providing products and services to external markets (Manning, Kannothra & Wissman, 2017).

Hybrid-styled organisations such as SEs use surplus revenue generated through commercial activities to subsidise their social impact initiatives. This has implications in emerging markets where funding and government support can be limited (Mamabolo & Myers 2020). It can also be argued that social entrepreneurship carries a larger opportunity cost in emerging markets due to less disposal income (on average) of individuals within developing countries. This is coupled with a greater need for social entrepreneurship interventions within developing countries due to the increased prevalence of social and environmental challenges. (Urban, 2015).

SEs address social, economic and environmental issues through building mutually beneficial stakeholder relationships and equitable models to generate revenue. Such innovation-driven social interventions informed by the socio-economic context in which they are implemented, this is particularly evident in emerging markets and unstable regions prone to catastrophic events (Tate & Bals, 2018). There also appears to be a less definitive difference between traditional organisations and social enterprise within developing countries with blurred lines between these two entrepreneurship approaches. The SE sector lacks appropriate assessment tools for accurate impact measurement, as such, social impact measurement has not yet been universally adopted by the social enterprise sector, which currently focuses on more accessible metrics as opposed to broader, less quantifiable outcomes. There appears to be a lack of available information on social impact measurement by SEs and even less data related to the African market. (Urban, 2015).

Social Enterprises need to be adaptable as the concept of ‘social enterprise’ has different meaning depending on the region in which the SE is operating. This is particularly evident in developing and emerging markets in Africa where the concept of SE can be subjective as a result of the variety of local and regional specific factors linked to broader expectations around the role of public, private and civil society in tackling challenges such as poverty or unemployment (Bolzani, Marabello & Honig, 2020).

Social entrepreneurship is thus shaped by the context in which the social enterprise operates. This is evident in South Africa which operates on the collectivism principle of ‘Ubuntu’ which prioritises community focus and involvement (Urban, 2015). This would be contrary to regions whose cultures align more closely to individualism contexts. This contextual variation means that social enterprises operating in South Africa need to be

viewed differently when compared to the prevailing literature perspective on social enterprise. (Urban, 2015).

From a globalisation context, it is thus important to include and preserve cultural customs and norms when undertaking a social project or intervention, particularly where it is linked to poverty alleviation. Social entrepreneurs need to be cognisant of various factors in the process of addressing social problems and must overcome additional hurdles linked to engaging across different cultures (Thomsen, Muurlink, Best, Thomsen & Copeland, 2020).

2.4. Theory

Social value is not linked to generating profit but rather addressing societal problems that affect individuals and communities in need of assistance. As such, social entrepreneurship addresses key social issues and benefits society through enacting a shift in social circumstances and alleviating the travails of the targeted beneficiaries, with a focus on marginalised and vulnerable communities (Maas & Grieco, 2017). The great environmental variety of social issues results in varied, and sometimes limited explanations of what constitutes social value and what it means to be a social entrepreneur. In addition the subjectivity and contextual variance around the “social value” term makes it a difficult variable to accurately assess (Stevens, Moray & Bruneel, (2015).

McLoughlin, Kaminski, Sodagar, Khan, Harris, Arnaudo & Mc Brearty, (2009) suggest that there have been various attempts by practitioners to develop effective models for the assessment and comparative analyses of social value. The challenge is that current metrics are not sufficiently developed to effectively segment commercial and social value creation which needs to be viewed through the lens of the environmental context in which it took place (Kroeger and Weber, 2015).

Forbes, (1998) notes that organisational effectiveness provides a framework that enables critical evaluation of organisational activities. Zahra, Gedajlovic, Neubaum, & Shulman, (2009) build on this concept, suggesting that elements of organisational effectiveness can be utilised in providing clarity around the concept of social value creation. Organisational effectiveness, as a concept can be seen as relative and as such, the creation of social value is evidenced by the level of reduction in a beneficiary group’s social need as a result of the social intervention. This enables the depiction of a comparable, social value

equivalent (Kroeger and Weber, 2015).

The functional model of Organisational effectiveness focuses on achieving objectives from an institutional and socioeconomic context, classifying effectiveness as the amount of social benefit derived from the outputs of an organisation. (Kroeger and Weber, 2015). Key metrics linked to the social benefit element of organisational effectiveness include Subjective Wellbeing and Life Satisfaction (Diener & Suh, 1997). Subjective Wellbeing is focused on an individual's own experience and assessment of their well-being as opposed to the perspectives of academics and lawmakers while Life Satisfaction provides a more consistent measurement over time compared to the good or bad feelings associated with ad-hoc experiences (Diener & Suh, 1997). However, there has been limited adoption of Life Satisfaction ratings in organisational performance measurement and comparative analyses (Becchetti, Castriota, & Solferino, 2011).

This study intends to build on the functional model of organisational effectiveness theory, taking elements of Subjective Wellbeing and Life Satisfaction into account in working towards a social impact metric that is comparable across heterogeneous social enterprises.

2.5. Social Impact

Perrini, Costanzo & Karatas-Ozkan (2021) suggested that social impact relates to non-commercial value which is created through certain activities or the benefit experienced by targeted recipients of an undertaken intervention. It is seen as the ultimate outcome of an organisation's intervention, and not accounting for any change that would have taken place without organisational activity (Perrini, Costanzo & Karatas-Ozkan, 2021).

Rawhouser, Cummings & Newbert (2019) were aligned in their description of social impact as targeted beneficiaries enjoying the positive outcomes of prosocial behaviour. These outcomes can be described as immediate effects that an organisation has on the communities in which it operates while impact can be linked to an organisation's overall effort in addressing the causal issues of broader challenges such as poverty, unemployment and addiction. This relates to ongoing research around the work needed to address grand, societal challenges (Wry & Haugh, 2018).

Social Impact can also be seen as the social entrepreneurial capability to change the

circumstances within the area in which an intervention takes place (Perrini, Costanzo & Karatas-Ozkan, 2021). This impact can be achieved at various levels whereby change can be effected. It is not just a result of specific activity leading to a preferred outcome, but rather the culmination of a series of events including acquisition and deployment of resources in the form of interventions that lead to outcomes that impact, and ideally, benefit society (Wry & Haugh, 2018).

The shift in focus from fundraising to social entrepreneurship requires organisations to have an impact orientation and the ability to leverage the various social financing tools at their disposal (Phillips & Johnson, 2021). Although there are various definitions of the concept of impact, it generally occurs as a result of certain actions in the form of contribution of value or change made at a social, economic or environmental level (Maas & Grieco, 2017). It has also been linked to the tackling of causal issues of societal problems (Ebrahim & Rangan, 2014).

Impact can thus be described as a major and enduring shift in people's lives as a result of a single or series of events or actions. While outcomes refer to the enduring results that affect communities and societies. Unlike outputs, which generally fall within an organisation's locus of control and as such are able to be measured, concepts such as outcomes or impacts are more challenging to pinpoint and quantify (Molecke & Pinkse, 2017).

2.6. Social Impact Measures

There appear to be two opposing views on social impact measurement. View one suggests that standardised indicators can be generally used across all social enterprises, regardless of their circumstances. View two, (the more popular) suggests that a variety of metrics need to be applied to cater for the variety of social enterprises (Perrini, Costanzo & Karatas-Ozkan, 2021). From a quantification perspective, social impact measurement aims to understand the extent of the impact within a specific context. Randomised control trials are considered to be the foremost means of gauging particular types of social impact and thus quantifying that impact. This approach does however involve significant costs requiring extensive data collection both pre and post activity across treatment and control groups (Rawhouser, Cummings & Newbert, 2019).

Social impact measurement can be described as the practise of studying, tracking and

navigating the positive or negative results of a given intervention or social project. Consequences can be both intentional and unintentional (Lee, Lee, Kee, Kwan & Ng, 2021). Social impact is currently measured across a wide variety of methods. The heterogeneity of social enterprise requires specificity in terms of indicators and accounts for the large array measurement methodologies. It also explains the lack of agreement in terms of a generally accepted, shared measurement approach for social impact (Perrini, Costanzo & Karatas-Ozkan, 2021).

There are a number of tools and approaches available to social enterprises to assess impact, such as the Impact Reporting & Investment Standards (IRIS) (Global Impact Investing Network, 2012). The United Kingdom have popularised the use of a more quantitative measure in the form of Social Return on Investment (SROI) for assessing social value. SROI is one of the more frequently used methods of social impact measurement by social enterprises. It covers the various social, environmental and economic aspects attributed to the triple bottom line and aims to take the possible negative effects of social interventions into account (Perrini, Costanzo & Karatas-Ozkan, 2021). This approach, using cost benefit analysis as a basis, is able to depict social and environmental outcomes in monetary terms, depicting organisation social value creation relative to the costs associated with creating that value (White, 2018).

While methods such as SROI are tailored towards economic efficacy. Other measurement approaches, such as the use of the Balanced Scorecard, are more aligned to strategy (Lee, Lee, Kee, Kwan & Ng, 2021). The social enterprise balanced scorecard explores the traditional four perspectives of finance, clients, process and development along with the fifth element of social value. It also accounts for the greater variety of stakeholders associated with SE. Similar to SROI, it focuses on defining ultimate outcomes and impact, but not depicting them in monetary value terms (Perrini, Costanzo & Karatas-Ozkan, 2021).

Another model concerned with holistic impact is the Social Impact for Local Economies or SIMPLEs model, with a broad focus on processes from concept and strategy stage through to implementation (Mcloughlin et al, 2009). The Best Available Charitable Option (BACo) method compares a specific project to the most viable alternative venture in a given market, allowing funders to gauge the most effective use of their resources in terms of economic and social outcomes. It also guides investors in terms of achieving maximum potential impact through a focus on input/output relationship (Perrini, Costanzo & Karatas-

Ozkan, 2021). This method is less resource intensive when compared to the other methods but is limited to the period in which the monitored intervention is carried out and relying on appropriate alternatives for comparison purposes (Perrini, Costanzo & Karatas-Ozkan, 2021).

Social Impact Assessment (SIA) has also received a lot of attention in the literature, presented as a management tool assisting with goal setting, resource allocation and decision making, and as such, tends to be associated with the efficacy of an organisation (Grieco, 2018) There is however a conflicting view in that the descriptive and predictive nature of the SIA associated guidelines means that SIA has limited applications for comparative assessment of the social value creation across different interventions (Kroeger and Weber, 2015).

The literature points to a limited adoption of tools such as SROI by social enterprises for impact assessment and measurement (Millar and Hall, 2013). While providing insight into an organisations internal activities and social value drivers, there are challenges associated with comparative assessments across the varied institutional and socio-economic contexts of targeted beneficiary groups (Kroeger and Weber, 2015). Another challenge associated with SROI adoption is the sheer level of human, time and financial resources required in order to effectively implement. There is also a level of complexity involved and the challenge of demonstrating social value creation in via a financial representation (Perrini, Costanzo & Karatas-Ozkan, 2021).

Impact assessment tool use within social enterprises is informed by context. The diversity across social enterprises complicates the application of universal assessment methods and means. This is further hampered by barriers, both logistical and ideological that impact the adoption of performance measurement tools by SEs (Millar and Hall, 2013). Other suggested barriers include the challenge of quantifying less tangible outcomes such as self-esteem or confidence which can be viewed subjectively (White, 2018). Arguments have been made disputing the use of such methods and approaches in attracting funding or setting standards for comparative measurements between peers (Lee, Lee, Kee, Kwan & Ng, 2021).

Inconsistent data can lead to unreliable reporting, which has comparability implications across different organisations. Time and cost concerns are also apparent in the reluctance of organisations to commit these resources on social impact measurement unless deemed

a priority by potential investors (Millar and Hall, 2013). As a result, SEs tend to rely on internally developed measurement means due to the increased relevance and applicability within their contexts. These contexts which range from history, culture, region and company size, will influence the nature of performance metrics and outcomes required by certain stakeholder groups. However, despite the array of differing perspectives and agendas, there appears to be a convergence in terms of working towards and accomplishing a social goal. As such, there is a tendency for performance measures to be client or beneficiary focused such as number of clients impacted and service quality assessments (Jiao, 2020).

It is important for SEs to develop means of tracking and quantifying the impact of their work in addressing social issues. This enables the strategy to be translated into measurable operational activities linked to performance and impact (Maas & Grieco, 2017). However, the sheer variety of measurement methods can complicate the decision making process for stakeholders with different agendas and objectives ranging from driving operational effectiveness, to enhancing ones reputation or legitimacy in a sector (Molecke & Pinkse, 2017). Clear communication around measurement of outcomes and key performance metrics aids in aligning the differing agendas of the various stakeholders in terms of achieving the dual social and economic missions (Jiao, 2020).

A recent study indicates that while 9/10 US non-profits claim to have comprehensive data collection and storage mechanisms, less than ten percent are able to make decisions based on these data. This is largely due to a dearth of systems, skills and the necessary analytical tools to get the job done. This would suggest a need for increased focus on data skills in non-profit-focussed tertiary education programs. The non-profit & social enterprise sectors could also benefit from utilising additional data specialists along with increased investment in data and technology-driven systems (Phillips & Johnson, 2021).

Table 1: Existing Social Impact Measurement Tools

Method	Strength	Weaknesses
SROI	Simplicity, value focus	Resource intensive, complex
Balanced Scorecard	Broader organisational perspective, strategic focus	Limited applicability for specific projects and comparative measurement
BACO	Less resource intensive, input/output relationships	Measurement limited to specific intervention period
SIA	Organisational efficacy & resource allocation	Can be prescriptive, limited application for comparative measurement

2.7. Process

Broadly speaking, measurement of performance is required to drive continuous improvement within small to medium businesses. This also applies to social enterprise, however, performance measurement in this sector can be limited due to lack of resources (Maas & Grieco, 2017). Social performance is linked to the ability of an organisation to create positive social impact through addressing key societal issues (Ramus, La Cara, Vaccaro & Brusoni, 2018). Social performance thus relates to an organisation's efforts to fulfil its social mission and objectives. It is a representation of the desired outcome achieved through prosocial activities which lead to beneficial social impact (Jiao, 2020).

While the impact of economic activity can be measured against generally accepted financial accounting principles, no such standards have been developed for social impact measurement. As such, organisations tend to focus on the quantifiable, finance related metrics, in spite of social objectives being the key driver of strategic decision making. (Maas & Grieco, 2017). Social performance indicator utilisation in companies can be directly linked with an organisation's social performance as well as having an indirect influence on the financial performance (Lisi, 2018). Assessing performance from a social perspective can however, be challenging when contrasting it to financial performance, which tends to be more quantifiable, and yet, from a socially focused funder or Impact investor perspective, the assessment of social performance is an important indicator (Beisland, Djan, Merland & Randey, 2020).

Previous research indicates that the mere development of system of measurement was not the ultimate determinant of the success of a project, rather it was more around the development of an organisational culture that appreciated the importance the evaluation process (Ebrahim & Rangan, 2014). The context of organisational culture can have a major bearing on the mechanisms of accountability within an organisation. A culture of innovation, for example, is likely to encourage upward accountability to meet funders' expectations and meet the requirements for further funding. It will also drive downward accountability through more effective client engagement in order to augment services through analysis and innovative change (Jiao, 2020).

The measurement of outcomes requires two conditions to be in place. 1: the establishment of a strong causal link joining outputs to outcomes and 2: where the necessary integrated interventions fall within the organisation's locus of control. Any organisation should ideally

track and report on outputs and activities within their sphere of control. A more complex question relates to the decision of whether to track outcomes and the resultant impact, however it is important to note that outputs will not always result in outcomes and those outcomes will not necessarily lead to impact (Ebrahim & Rangan, 2014).

Social impact measurement is however not limited to the mere assessment of social outcomes, it can provide a lens to guide more effective operations and alignment to the overall organisational strategy. It can also play a role in organisational legitimacy, ensuring that the social enterprise conforms to its own rules and regulations such as statutes and programme objectives (Liston-Heyes & Liu, 2021). It is however very difficult to predicate and predict due to its multifaceted and complex nature (Wry & Haugh, 2018).

Social Impact assessment can be summarised as the process of gauging, evaluating and providing commentary on intended and actual results of activities undertaken to address ongoing social issues (Ormiston, 2019). Differing stakeholder agendas can create barriers in strategy implementation where if done at a superficial level, work will have little effect in terms of the achieving the social mission and on the other extreme, be socially focused to the point of missing the funder's objectives resulting in a lack of further funding opportunities (Jiao, 2020). SEs thus need a level of independence when it comes to selecting social impact measurement approaches that enable the development of relevant metrics which align to the specific social and economic missions of the organisation (Molecke & Pinkse, 2017).

2.8. Elements

In defining social impact, there are calls for the consideration of both beneficial and negative outcomes of socially driven activities to be included in measurement mechanisms. In other words, to assess the impact of organisations on society as result of increase of benefits and/or a decrease in ills (Rawhouser, Cummings & Newbert, 2019). Often interventions, at a practical level, do not account for the perspective of targeted beneficiaries when attempting to address socio-economic issues (Thomsen, Muurlink, Best, Thomsen & Copeland, 2020).

It is therefore important to understand unexpected or inadvertent outcomes that arise as a result of pursuing a social mission. These could be positive or negative depending on

the context of those impacted by said outcomes (Wry & Haugh, 2018). An increase in social welfare can be linked to social impact through the creation of social value, however, the converse is also true which could lead to the destruction of social value (Rawhouser, Cummings & Newbert, 2019).

What is evident is that social impact cannot be created if organisations are unable to secure resources ranging from financial and human capital to legitimacy. These resources are key in driving efficiencies linked to scalable impact. (Wry & Haugh, 2018). Strategic partnerships between SEs and likeminded organisations can also create scalability in social impact achieved (Ramus, La Cara, Vaccaro & Brusoni, 2018). Scholars emphasise the importance inter-organisational relationship building to enhance social enterprise capabilities in achieving the dual social and economic goals. They also differentiate between the concepts of 'social quality' (the level of social objective achievement by the SE) and 'service quality' (the quality of an SE's product of service offering which links to their credibility. (Powell, Gillett & Doherty, 2019).

The concept of 'accountability' with reference to transparency and governance became more popularised in the 1990s appealing to the concerns of key stakeholders such as donors, clients and beneficiaries. More recently, the focus has shifted to 'impact', providing evidence of work done, addressing issues in the face of major societal problems such as hunger and unemployment (Ebrahim & Rangan, 2014). Research into understanding the role and purpose of impact assessment has traditionally focused on its link to ensuring accountability and augmenting impact. Accountability is particularly relevant in the context of performance measurement and relationships with funders. Impact augmentation, on the other hand, is associated more with management of performance through strategic implementation of impact assessment approaches and developing stakeholder relationships (Ormiston, 2019).

Stakeholders such as funders are the main force behind this focus on accountability and impact, trying to establish the best place for their contribution in order to make a real difference. Another driver is the advent of more professionalism within the social sector which has led to the incorporation of auditors and other professional evaluation services (Ebrahim & Rangan, 2014). Social stakeholders such as volunteer groups and foundations provide assistance based on the organisation's ability to create social value and thus increase societal well-being. Commercially oriented stakeholders such as clients, investors and corporate partners provide support based on the organisation's levels of

productivity, efficacy and quality which link to achieving commercial objectives (Ramus, La Cara, Vaccaro & Brusoni, 2018). Levels of such stakeholder engagement represent an important metric for SEs, given the importance of these groups in strategic decision making with these organisations. (Mamabolo & Myers 2020).

2.9. Measurement Challenges

The lack of a singular and generally accepted definition of social impact has implications for the measurement of social impact, which is typically measured in a case-specific context. As a result of this, a number of social impact measurement metrics have been created to assess the amount of value generated by hybrid organisations or through specific projects and interventions. Given the specific nature of the needs being addressed, the developed methods are often case-specific and as such are not necessarily applicable across different contexts (Perrini, Costanzo & Karatas-Ozkan, 2021).

Researchers highlight the lack of agreement around the quantification of prosocial outputs in terms of a consistent, accurate and comparable measures of performance. This has major implications for acquisition and deployment of resources, strategy implementation as well as performance assessment and accountability (Wry & Haugh, 2018). The lack of agreement around optimal measures of social impact has also had an impact in the business sector. The wide range of measurement tools and the various approaches used in assessing social performance creates challenges when attempting to compare different SEs within the sector (Perrini, Costanzo & Karatas-Ozkan, 2021).
Experienced practitioners highlight the difficulty associated with understanding the concept of social impact let alone calculating it. Even in the event of having a means to measure impact, the lack of an agreed and standardised approach has implications for stakeholder accountability (Molecke & Pinkse, 2017). A lack of consensus on a reliable and comparable form of measurement for social outcomes has also added to the complexity of comparative measures. As such, social impact measurement currently relies on case-specific, outcome driven data gathered on an ad hoc basis. The specific nature of the link between selected outputs and outcomes can be a limiting factor on the generalisability of the data (Wry & Haugh, 2018).

There are many advocating for a standardised methodology for social impact measurement, however, there is a movement of scepticism given the possibility of long

term counterproductively. The focus of meeting donor expectations in terms of reporting could draw heavily on key resources that are integral to service delivery in pursuit of the social mission (Ebrahim & Rangan, 2014). Social enterprise activities result in social impact, however this broad description means that there is a general lack of agreement on the appropriate measure for social impact. The lack of clarity around the selection of an acceptable measure in the pursuit of social impact plays a role in dissuading entities from embarking on the measurement process itself (Perrini, Costanzo & Karatas-Ozkan, 2021).

In the absence of a standardised methodology of performance measurement of social entrepreneurs, clarification is needed on issues such as assessment across dual objectives and missions, and the means of conduction comparative performance assessments across diverse SEs (Staessens, Kerstens, Bruneel & Cherchye, 2019). While there are various approaches can be adopted to measure social impact, there are no professionally stipulated standards that are required to be met. As such, social impact metrics tend to be determined and agreed upon by funders and those that are being funded (Lee, Lee, Kee, Kwan & Ng, 2021).

As indicated earlier, there is a growing expectation amongst funders for the adoption of more formalised approaches of social impact assessment, aligned to financial sector styled practices such as performance measures and reporting. However, there is a lack of consensus around how social impact should be measured given the ambiguity around the causal relationships between social enterprise projects and resultant impact and the uncertainty linked to social impact methodologies (Molecke & Pinkse, 2017). The novel combination of social and commercial activities within SEs can also lead to questions of legitimacy of the organisation which in turn can lead to a hesitancy of possible stakeholder commitment of resources (Wry & Haugh, 2018).

A key difficulty is presented in terms of having to align defined social mission objectives to relevant measurement approaches and metrics (Ebrahim & Rangan, 2014). The measurement of social outputs is inherently subjective which has implications for the formulation of strategy around social and financial performance (Wry & Haugh, 2018). Assessing operational and performance efficacy in social enterprise is challenging on account of the broad nature of associated social and economic impact. As such, performance management of social enterprise requires concurrent focus on social and commercial goals in relation to the social enterprise strategy (Staessens, Kerstens,

Bruneel & Cherchye, 2019).

Impact assessment measures can also be in conflict with the original ethos and organisational culture of the social enterprise, this could be due to the initial design of these tools being linked to inherently financial indicators such as the exploitation of market resources (Millar & Hall, 2013). Thus, traditional financial metrics are not necessarily transferable in terms of social performance measurement of SEs. Ideally, social performance assessment models need to incorporate broader mechanisms that provide insight into elements such as legitimacy, resource allocation and performance. (Mamabolo & Myers 2020).

2.10. Conclusion

In summary, there is little doubt that performance management reporting on SEs is necessary but challenging due to the differing ways it can be interpreted. Standardised impact assessments and metrics are also difficult to implement, given the diverse nature of SEs (Millar & Hall, 2013). It is also very challenging to determine causality and assess the relative level of effect when the specific outcome is impacted by both internal and external factors that fall outside the organisation's locus of control (Wry & Haugh, 2018). Indeed, the literature highlights the need for flexible social impact measurement approaches in order to address the ambiguity associated with the contextual nature of social impact. The somewhat sobering conclusion is that despite the plethora of available social impact measurement approaches, few are considered useful in practice (Lee, Lee, Kee, Kwan & Ng, 2021).

CHAPTER 3: RESEARCH QUESTIONS

This study seeks to understand how hybrid social enterprises measure social impact. The preceding chapters focused on the research problem and a review of the existing literature around the topic of social impact measurement. This section presents the main research questions and the related sub questions, these are aligned to the research objectives stated in chapter 1.

Research Question 1*: How do hybrid social enterprises measure social impact?*

With the emergence of more hybrid styled SEs, it is evident that current social accounting mechanisms are not equipped to adequately assess the performance of these organisations and can impede future sustainability efforts (Liston-Heyes & Liu, 2021). Indeed, it can be argued that despite the availability of numerous performance measurement tools, there is still no standardised approach for measuring social impact in SEs (Mamabolo & Myers 2020). Social impact is being measured across a wide variety of methods. The heterogeneity of SEs requires specificity in terms of indicators and accounted for the large array measurement methodologies. It also explains the lack of agreement in terms of a generally accepted, shared measurement approach for social impact (Perrini, Costanzo & Karatas-Ozkan, 2021).

The research will aim to break the concept of "social impact measurement" down further by answering the following questions:

Research Question 2: *What elements are taken into account in order to measure social impact?*

Traditional financial metrics are not necessarily transferable in terms of social performance measurement of SEs, due to the less quantifiable and technical nature of social impact (Lisi, 2018). Ideally, social performance assessment models need to incorporate broader mechanisms that provide insight into elements such as legitimacy, resource allocation and performance (Mamabolo & Myers 2020).

Research Question 3: *What are the challenges associated with social impact measurement?*

The measurement of social outputs is inherently subjective which has implications for the formulation of strategy around social and financial performance (Wry & Haugh, 2018). Phillips & Johnson (2021) noted key challenges associated with social impact measurement in the lack of consensus on the definition of terms such as “social impact” and “Return on Social Investment” where the focus is often on outputs as opposed to actual impact. This lack of clarity around the selection of an acceptable measure in the pursuit of social impact plays a role in dissuading entities from embarking on the measurement process itself (Perrini, Costanzo & Karatas-Ozkan, 2021).

CHAPTER 4: CHOICE OF METHODOLOGY

4.1 Introduction

The choice of research method for this study was informed by the purpose of the research which aimed to provide insight into how hybrid social enterprises understood and assessed the impact of social interventions within an emerging market context. By definition, terms such 'insight' and 'understanding' are virtually synonymous with qualitative research (Gordon, 2011). As such, the chosen research method was qualitative. Figure 3, provides an overview of the methodology choices adopted in this study:

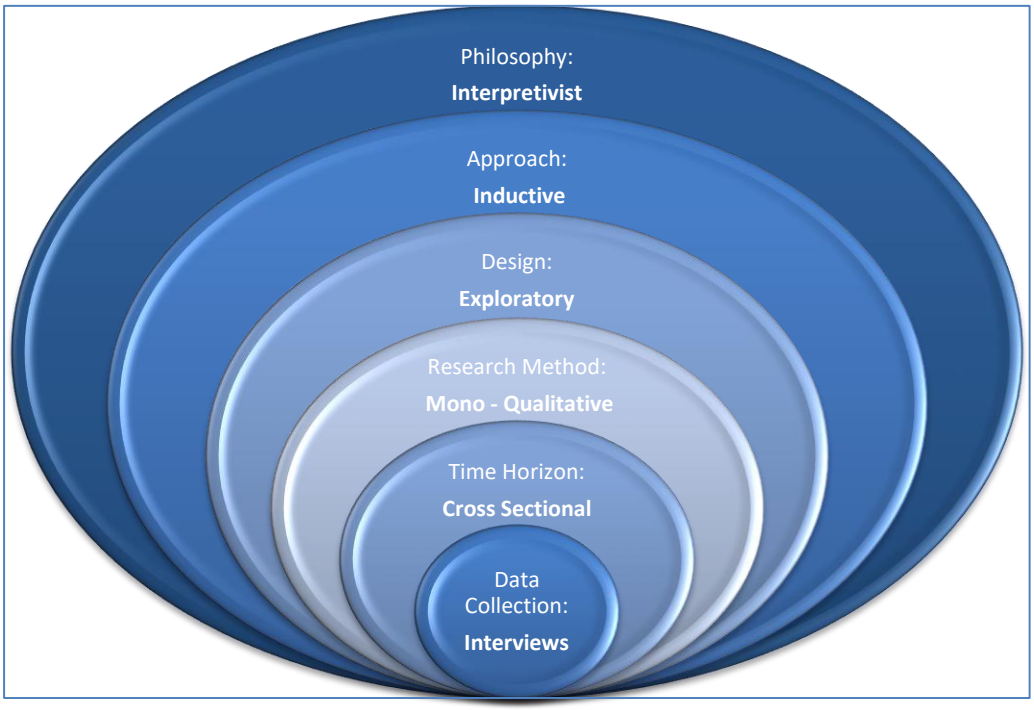

Figure 3: Research Methodology – adapted from Saunders & Lewis (2018)

4.2. Research design

Given the open-ended nature of this qualitative research study and the need for more clarity around the challenges associated with social impact measurement (Miller & Hall, 2013; Perrini, Costanzo & Karatas-Ozkan, 2021), the purpose of the research design was exploratory (Saunders & Lewis, 2018).

The exploratory research design was informed by the dearth of information on

standardised social impact measures (Rawhouser, Cummings & Newbert, 2019). This approach effectively funnelled information over the course of the research process, beginning with broader concepts it then progressed and honed in towards more specific topics and themes (Saunders & Lewis, 2018).

This was based on the objective of gaining insight and an understanding around how the issue of social impact was defined and measured across different hybrid organisations. Phillips & Johnson (2021) emphasised key challenges related to social impact measurement in the lack of consensus on the definition of terms such as “social impact” and “Return on Social Investment” where the focus is often on outputs as opposed to actual impact.

4.2.1. Research philosophy

The chosen research philosophy was interpretivist, given the subjective nature of the realities facing the respondents that would be investigated within the selected group of social enterprises (Saunders & Lewis, 2018). The relevance of this approach was highlighted through the contextual variance across social enterprises and the importance of context in informing social impact assessment (Tate & Bals, 2018).

4.2.2. Approach to theory development

An inductive approach was adopted in this study. Although the topic of social impact measurement had received attention from academics, there appeared to be limited agreement on a standardised approach that could be used to assess social impact (Rawhouser, Cummings & Newbert, 2019). This lack of cohesion in existing literature informed the inductive approach that was used with the objective of developing theory from the data. Berends & Deken (2021) contended that the inductive composition guides the reader through elements of the case and provides a perspective of the experiences of both author and participants. Furthermore, they concluded that an inductive approach provides a clear indication that the theory was based on insights that arose from the data (Berends & Deken 2021).

4.2.3. Research Strategy

The researcher utilised an inductive approach in order to identify patterns or themes that emerge from the data (May, 2011). In the case of this particular study, the data collected from the semi-structured interviews was transcribed before being split into unique codes,

general categories and then grouped themes that emerged from the respondents. The theory framework was thus effectively built on the back of the research process being conducted.

4.2.4. Time Horizon

Given the tight timelines associated with data collection and analysis, a cross-sectional time horizon was chosen to be incorporated for this research. This effectively provided a snapshot of data collected over a short, specific time period as opposed to data capture and analysis over a longer timeframe (Saunders & Lewis, 2018).

4.2.5. Choice of methodology

The qualitative nature of the research and the limited timeframe within which to gather and analyse the data lent towards the utilisation of a mono method of qualitative research (Saunders & Lewis, 2018). This was conducted in the form of semi-structured, in-depth interviews in order to collect data across the sample set of twelve hybrid organisations (McCracken, 1988).

4.3. Population

In terms of population, any hybrid enterprise could have been identified as being potentially relevant, however for the purposes of this research, social enterprises were selected on the basis of the research questions which pertain to hybrid organisations and social impact measurement. While the term ‘Hybrid Organisation’ could be considered as quite broad, the concept of ‘social enterprise’ was well aligned with the nature and the purpose of the research study, given the importance of the social mission and economic missions within the social enterprise concept. SEs pursue dual commercial and social goals with the objective of benefiting society though social impact while creating economic value to be financially sustainable (Ramus, La Cara, Vaccaro & Brusoni, 2018).

4.4. Unit of Analysis

The unit of analysis focused on social impact measurement within the specific organisations which formed part of the sample group of respondents. This applied to senior management and executive figures, all in the role of either founder and/or director of their respective organisations.

4.5. Sampling Method and Size

The qualitative nature of this study dictated that the sample size needed to be relatively small. This was because the primary focus was not around generalisability of the data, but rather about access to the relevant participants (McCracken, 1988). The sample population consisted of twelve specific SEs with ten based and operating within South Africa, one in the United Kingdom and the other in the Gaza strip. This predominance of locally based operations allowed for access to key respondents within the respective organisations. This was made more feasible by the researcher's relationship with and access to St John Ambulance and the associated network of social enterprises with whom they partner with. This was particularly useful in gaining access to the foreign-based respondents.

The researcher conducted 12 interviews across the 12 selected SEs within the sample group of respondents. Non probability, purposive sampling was predominantly applied for this research given the selection criteria that applied to participants, based on their knowledge and experience within the selected organisations (Saunders & Lewis, 2018). As such, the criteria was largely driven by the social enterprise nature of the organisation and the level of seniority of the role that the respondent occupied within the selected organisation.

An important consideration here was evidence of similar studies linked to an overreliance on certain perspectives from senior management and executives which complicated the process of collecting objective data in terms of performance measures (Stevens, Moray & Bruneel, 2015). However, given the nature of the study, and the strategic nature of impact measurement, the researcher felt that the c-suite would be the most appropriate level to engage with.

4.6. Measurement Instrument

The literature review guided the exploratory research phase of this study whereby semi-structured interviews were utlised as the primary instrument used in gathering data from the identified social entrepreneurs within the selected sample group of social enterprise. The interview guide was split into three distinct sections in order to align to the three research objectives and associated research questions. The basic structure was as follows:

The first section focused on developing an understanding of how SEs defined social impact and any perceived links to their organisations mission and vision. There were additional probes related to performance measurement within the organisations, distinguishing between efficacy and impact.

Section two of the interview guide shifted focus onto social impact measurement, beginning with broader probes around its perceived importance in the sector and then in the context of the organisation specifically. Additional probes explored what the organisation measured social impact against and which elements respondents deemed as the most important in social impact assessment and why.

The final section of the interview related to the main challenges and barriers associated with the social impact measurement process. A follow up probe inquired around how the social enterprise in question was able to navigate those challenges.

The questions while linked to the research questions, were crafted in such a way so as not to lead the respondents, but rather to provide a platform for them to freely share their perspectives and experiences. This was done with the aim of building an understanding around how social impact was identified and measured within the various hybrid organisations.

Throughout the interviews, open, probing questions were used to enable depth of information from the respondents. Sequencing was applied in the beginning of the process with the initial focus being on broader, more generalised questions before the researcher delved into more specific themes and concepts though the guided discussion, while ensuring that care was taken not to lead the respondents.

4.7. Data gathering process

The primary data was collected in the form of semi-structured, in-depth interviews that enabled a guided discussion aimed at providing knowledge and insights around the topic. The benefit of this approach was the additional flexibility it provided in the interview process, enabling the responder to provide answers in their own way and allowing for depth to be achieved through additional probing around the responses (Saunders & Lewis, 2018).

The full data collection process took place over a period of seven weeks, beginning in the

last week of July 2021 with the delivery of invitations and letters of consent to the nineteen potential respondents who met the sample criteria. Twelve respondents ultimately gave their permission and signed letters of content to take part in the study. These interviews were expected to range in duration, as such the researcher allocated 1-hour timeslots for each respondent to allow for additional information sharing where applicable. The interviews ranged from approximately 30 minutes to 90 minutes. The first interview took place on the 05th of August while the final interview was conducted on September 13th, 2021.

Given the implications of the COVID-19 pandemic, all interviews were conducted over digital platforms such and Microsoft Teams and Zoom. The benefit of this approach was the flexibility in terms of being able to engage with respondents at a time and place of their convenience. This approach also enabled all interviews to be digitally recorded from a record keeping and reference perspective. The researcher was also able to utilise voice recognition transcription software in the form of 'Otter AI' which provided the initial transcription documents from which the researcher was able to initiate the analysis process.

4.8. Analysis approach

Thematic analysis is an approach based on the analysis, identification and the reporting of key themes that emerge from the data (Braun & Clark, 2006). As such an analysis was conducted whereby data gathered through the interview process was summarised and assigned into relevant, mutually exclusive codes (Saunders & Lewis, 2018). These codes were then categorised based on certain characteristics in order to get more clarity on the concepts within the data. Ultimately, key themes and concepts emerged from the categories, which provided the building blocks of the theory.

The researcher initially considered the use of analysis software in the form AtlasTI to assist in the analysis approach, however, it was ultimately decided that a manual analysis of the information would enable the researcher to be more hands-on with the data and the resultant insights. The subjective nature of qualitative data was prone to misinterpretation, as such, existing literature themes were used to categorise the qualitative insights in order to eliminate possible confirmation bias by the researcher. Additionally, standardised concepts and themes were consistently applied across the sample to bolster the internal validity of the data.

4.9. Quality controls

Doz (2011) stressed the importance of having a strong methodological grounding in qualitative research, she emphasised the need for stringent criteria in terms of rigour in research work. Table 2 provides an overview the data verification adopted in this study:

Table 2: Data Verification Check

Criteria	Principle	Application
Data selection	Appropriate sample set (Morse, Barrett, Mayan, Olson & Spiers, 2002)	A heterogeneous sample of social enterprises were selected in order to have diversity within the respondent group.
Coherent Methodology	Research question aligns with the method, data and analysis processes (Morse et al., 2002)	The explorative research question dictated a qualitative, mono method of research. Semi-structured interviews were used for data collection followed by a thematic analysis.
Credibility	Detailed description of data collection and analysis (Rheinhardt, Kreiner, Gioia & Corley, 2018)	Data was gathered in the form of 12 semi-structured interviews with participants from different social enterprises. A manual, thematic analysis was applied using Microsoft Excel.
Rigour	Explanation of theory use (Rheinhardt et al., 2018)	The findings were derived from an array of direct quotes from the respondents. Inductive, open coding lead to general categories which informed the broader themes that emerged from the data.
Dependability	Audit trail of decisions taken and methods used (Seale, 1999)	All interviews, transcripts and Microsoft Excel analysis spreadsheets were saved and kept on file to provide confirmation of coding process.

4.10. Limitations

Recent studies into qualitative research conducted by MBA students revealed a number of associated challenges which included practical concerns around uncertainty in conducting interviews, complexity concerns around the ambiguous nature of qualitative research, credibility perceptions of the qualitative research process and challenging preconceived views and prior experiences (Cassell, 2018).

In addition, the impact of the global COVID pandemic limited the accessibility of respondents for face to face interviews which limited the potential sample size. This presented possible challenges related to the transferability of the research conducted. There was also resistance against lengthy interviews over digital platforms such as Teams or Zoom and occasional technical and communication challenges needed to be overcome in certain circumstances. These platforms did present some communication challenges with the researcher not being able to assess body language and non-verbal cues as effectively when compared to face to face discussions.

The open ended nature of this research meant that the results would not be verifiable against the information provided by the respondents. This research would also be difficult to replicate given the unique nature of the data gathered through opinions and perspectives of the respondents.

CHAPTER 5: RESULTS

5.1 Introduction

The findings presented in this section were drawn from analysed data retrieved as per the qualitative research methodology described in Chapter 4. The data was collected through a series of semi structured interviews with founders and directors of 12 different social enterprises based in Cape Town, Durban, Gqeberha, Johannesburg, London and Gaza. Table 3 provides a breakdown of the demographics of the respondents:

Table 3: Respondent demographics

Respondent	1	2	3	4	5	6	7	8	9	10	11	12
Gender	Male	Female	Female	Female	Male	Male	Male	Male	Male	Male	Male	Male
Role	Director	Founder	Founder	Founder	Founder	Director	Director	Founder	Director	Director	Director	Director
Primary Revenue	Enterprise	Funding	Enterprise	Funding	Enterprise	Funding	Enterprise	Funding	Funding	Enterprise	Funding	Funding
Region	Durban	JHB	JHB	JHB	JHB	JHB	Gqeberha	Cape Town	Durban	London	Gaza	JHB

The gender split was 25% female and 75% male. In terms of this sample, gender and role seemed to correspond with 100% of female respondents in role as ‘founder’ compared to 89% of males respondents in the role of ‘director’. In terms of primary revenue source for the represented entities, the split was relatively even with 42% relying on enterprise activity while the balance of 58% being more reliant on donor funding.

5.2. Research Question 1

How do you currently measure and/or report on Social Impact?

The inductive analysis approach as described in Chapter 4, was applied in the form of a thematic analysis. Through a thorough, manual analysis of the content, three specific themes emerged in the context of the first research question providing insight into the process of how these social enterprises measure and report on social impact.

Table 4: RQ 1 – Codes, Categories & Themes

Code	Category	Theme
Demonstrating impact to those partners	Demonstrating impact	Reporting
Aware of the numbers that companies are looking for	Outcomes & Reporting	Reporting
Fundraisers and corporates are keen to understand those measures	Outcomes & Reporting	Reporting
Good way of reporting back to donors	Outcomes & Reporting	Reporting
Stories of success	Success stories	Reporting

They want stories	Success stories	Reporting
Actually don't do reporting	Efficacy vs measurement	Social Impact Agenda
Making a difference is not in statistics	Outcomes vs measurement	Social Impact Agenda
Metric of measurement has to be adjusted to align with original project objectives	Pre-defined objectives	Social Impact Agenda
Cannot have evaluation on something you didn't monitor throughout the project	Pre-defined objectives	Social Impact Agenda
Evolution of measurement cannot be a surprise visit at the end of the project	Pre-defined objectives	Social Impact Agenda
Our measure of success to them	Pre-defined objectives	Social Impact Agenda
Understanding the impact	Pre-defined objectives	Social Impact Agenda
Impact depends on the original project objectives	Pre-defined objectives	Social Impact Agenda
Mutual self-interest	Pre-defined objectives	Social Impact Agenda
Making a difference	Pre-defined objectives	Social Impact Agenda
Measure of success	Pre-defined objectives	Social Impact Agenda
Positive change you want to achieve	Pre-defined objectives	Social Impact Agenda
More invested in the quality of quantitative and qualitative understanding	Priorities	Social Impact Agenda
No checklist that ticks everything	Priorities	Social Impact Agenda
Devil is often in the detail	Priorities	Social Impact Agenda
We will prioritize in terms of what makes the case for the work we're doing.	Priorities	Social Impact Agenda
In their minds, they've got a number	Priorities	Social Impact Agenda
Donors are not looking for evidence of societal impact	Priorities	Social Impact Agenda
Faith and belief over the importance of measuring impact	Priorities	Social Impact Agenda
Really good relationships is enough	Priorities	Social Impact Agenda
Every social enterprise has it's own agenda	Priorities	Social Impact Agenda
Often put in their own measurements	Priorities	Social Impact Agenda
Skewed organisational effort	Priorities	Social Impact Agenda
Most people don't take a long term view	Priorities	Social Impact Agenda
Can we fundamentally shift them	Priorities	Social Impact Agenda
Important to choose where you can be successful	Priorities	Social Impact Agenda
So they're not asking me for poor performance indicators.	Priorities	Social Impact Agenda
ESD providers not looking at organisational viability	Regulatory issues	Social Impact Agenda
Focus on what can be measured	Measurement tools	Social Impact Metrics
How do you make sure that your measuring tool does not ignore those things?	Measurement tools	Social Impact Metrics
So our tool when we establish it, and when we sit down with clients, we say, here is the environment that we want to measure.	Measurement tools	Social Impact Metrics
Formal measurement tools and processes	Measurement tools	Social Impact Metrics
Need more robust tools to measure outcomes	Measurement tools	Social Impact Metrics
Access to robust tools	Measurement tools	Social Impact Metrics
Developing those instruments in order to measure nuances	Measurement tools	Social Impact Metrics
Scorecards and canvas	Measurement tools	Social Impact Metrics
A better metric generally makes a person's life better	Measurement tools	Social Impact Metrics
Outcomes seen as an acceptable metric	Measurement tools	Social Impact Metrics
Much broader approaches to measurement	Measurement tools	Social Impact Metrics

Extrapolate on how many patients we have seen	Measurement tools	Social Impact Metrics
Measurement matrix must be a mandatory requirement	Measurement tools	Social Impact Metrics
Key performance areas	Measurement tools	Social Impact Metrics
Standard performance appraisal processes	Measurement tools	Social Impact Metrics
General performance indicators	Measurement tools	Social Impact Metrics
Personal interaction is our measurement	Measurement tools	Social Impact Metrics
Incident reports	Measurement tools	Social Impact Metrics
Give feedback to the family members on the interaction with us,	Measurement tools	Social Impact Metrics
Positivity and negativity in media coverage	Measurement tools	Social Impact Metrics
Donations are an interesting tracking mechanism	Measurement tools	Social Impact Metrics
In metric terms we would be measuring hours	Measurement tools	Social Impact Metrics
Using modern metrics to measure its outcomes	Measurement tools	Social Impact Metrics
Still at the stage of measuring the scale of the problem	Measurement Tools	Social Impact Metrics
One has to have some sort of outcome measure,	Measurement tools	Social Impact Metrics
Key performance indicators	Measurement tools	Social Impact Metrics
Extrapolate from other societies and other medical environments	Measurement Tools	Social Impact Metrics
Simplify it by looking into the numbers	Measurement Tools	Social Impact Metrics
Qualitative interviews	Qualitative vs Quantitative	Social Impact Metrics
Qualitative experience	Qualitative vs Quantitative	Social Impact Metrics
Quantitative measurement	Qualitative vs Quantitative	Social Impact Metrics
Measure not what's important, but what's measurable	Qualitative vs Quantitative	Social Impact Metrics
Qualitative insights	Qualitative vs Quantitative	Social Impact Metrics
Reframing, the hardest one to measure	Qualitative vs Quantitative	Social Impact Metrics
Qualitatively understanding the impact	Qualitative insight	Social Impact Metrics

5.2.1. Theme 1: 'Reporting'

Social Impact measurement, as a process, was directly linked with the importance of reporting back to stakeholders where measurements effectively demonstrate the level of social impact that was created:

> *"So it is really important for us to disseminate our quarterly reports and our stories of success back not only to our stakeholders and clients, but to that network is actually really important." (R3)*

The nature of the actual measurement, whether numerical or more intangible seemed to hold different levels of importance for the various respondents and the organisations that they represent. Certain respondents were focused on more qualitative data such as success stories:

“They want the stories and what I get from my team members of the stories and the stories and I'm you know, I hope I'm canny enough to tell the difference between a fake story and a real story. And also I'm on the ground so I can see that I see that stuff myself.”' (R9)

Other perspectives placed more emphasis on more quantifiable metrics linked to project outcomes or objectives and the importance of providing key stakeholders with an understanding of what those measures are:

“Every time we go on to the fundraising appeal, you go out with a social impact measure. You know, so if we fundraising for ambulance, we say we'd like to do, we did for argument's sake, we did 500,000 hours of support. And those are real numbers. In this calendar year, we would like to do 750,000 hours of support. And in order to do that, we need to raise an extra 15, or money for an extra 15 ambulances in the fleet. Fundraisers here, and certainly corporates here are really keen to understand those measures.” (R10)

“It revolves around what you're doing and how much you've done for each person, because we're very aware of the numbers that companies are looking for.” (R4)

5.2.2. Theme 2: ‘Social Impact Agenda’

The agenda of social enterprise, as in how social impact is prioritised, played a major role in informing how the respondents chose to measure social impact. For certain respondents, the focus on outcome and objectives overruled the need for measurement:

“Because we want to make a difference. And the difference for us is not in statistics and *that kind of thing. That this is the difference between Mercy's personal interaction with the people that that we work with.” (R6)*

Another view spoke to the importance of aligning the measurement metric with the pre-

defined project objectives in assessing whether the original goal was achieved:

> *"So we, we've come to a conclusion that the metric of measurement, at the end of the day has to be always adjusted to align with what the original objectives of the projects were meant to achieve." (R5)*

There was differentiation between the agenda or priorities of the social enterprise and that of other stakeholders. Indeed, there was also further differentiation of priorities within certain stakeholder categories such as donors:

> *"The donors aren't really looking for an absolute scientific, right, great, I gave my five pounds, and it made one quality adjusted life year difference. That's not what they're looking for. Donors want to know that they in their own way have served and responded to need. They're not looking for evidence of societal impact, they're looking for an individual whose life has been made a bit better." (R11)*

5.2.3. Theme 3: 'Social Impact Metrics'

The metrics associated with Social Impact Measurement link to the adoption of various measurement tools and approaches by the respondents. Qualitative insights emerged as an important metric for certain respondents:

> *"It's about interviewing our NGO clients, and, and qualitatively understanding the impact of our work on the organization's. Okay, so in our last quarterly report, we had we had like, quotes from clients about funds impact, you know, this is how qualifying for good have shifted our organisation. It's qualitative." (R3)*

Another perspective indicated the need for more robust tools and the development of measurement instruments to enable measurement of outcomes across similar types of projects to provide a broader scope of measurement approaches and to be able to account for the nuances associated with social impact:

> *"We can't keep demanding measurement all the time, when measurement is quite a complex issue. But I think we need similar projects to at least have a few measurement of approaches. But in order to do that, we also need much more robust tools to measure outcomes." (R1)*

An interesting perspective that did come through was the importance of focusing on what can be measured which was countered by the view that measurement is determined by what is measurable as opposed to what is important and should be measured:

> *"Yeah, I guess the, there's a fundamental question that we always dodge around measurement. And that's true. So true. Most forms of measurement, particularly pointed the social impact, which is that the things that are most valuable to measure are nearly always the things which are hardest to measure. And so we end up measuring not what's important, but what's measurable." (R9)*

5.2.4. Conclusion to research question 1

Reporting plays a key role in how social impact is measured and the nature of the relevant metric. Be it quantitative or more qualitative, this will be informed by the needs of the stakeholders that they are reporting to.

Social impact agenda or priorities have a major bearing on the approach used in assessing social impact and will differ across different organisations and stakeholders.

Social impact metrics are varied and polarised depending on perspective. There is agreement on the importance of qualitative insights, and the need for more sophisticated tools and instruments with which to derive them. There are however differing views around focusing efforts on what is measureable as opposed to focusing on what should be measured.

5.3. Research Question 2

What elements are taken into account in order to measure social impact?

A thematic content analysis was also conducted on the data collected in the context of

research question two, inductively exploring around what respondents considered to be the most important elements of social impact measurement and why they considered them to be so. Mutually exclusive codes were derived through a frequency analysis of the transcribed interview data, these codes were then grouped into broader categories which ultimately informed the five dominant themes that emerged in the context of the key elements of social impact measurement.

Table 5: RQ 2 – Codes, Categories & Themes

Code	Category	Theme
Enable those people to be economically active	Empowerment	Beneficiary Life Satisfaction
Quality of life	Improved quality of life	Beneficiary Life Satisfaction
Change people's lives	Improved quality of life	Beneficiary Life Satisfaction
Quality of life	Improved quality of life	Beneficiary Life Satisfaction
Quality of life	Improved quality of life	Beneficiary Life Satisfaction
Quality of life	Improved quality of life	Beneficiary Life Satisfaction
Quality of life	Improved quality of life	Beneficiary Life Satisfaction
Moving the needle in terms of improving the lives of people	Improved quality of life	Beneficiary Life Satisfaction
Quality of life	Improved quality of life	Beneficiary Life Satisfaction
Quality of life	Improved quality of life	Beneficiary Life Satisfaction
Quality of life	Improved quality of life	Beneficiary Life Satisfaction
What degree does it impact on their life	Improved quality of life	Beneficiary Life Satisfaction
Benefit of individuals	Individual benefit	Beneficiary Life Satisfaction
Impact is on a very personal level	Individual benefit	Beneficiary Life Satisfaction
Make a difference in the lives of people	Making a difference	Beneficiary Life Satisfaction
Touch the life of a person	Making a difference	Beneficiary Life Satisfaction
Level of direct impact	Making a difference	Beneficiary Life Satisfaction
How we actually change lives	Making a difference	Beneficiary Life Satisfaction
Struggling with our resources to even meet the need	addressing needs	Needs
Enormous need to address	addressing needs	Needs
Need that needed to be met	addressing needs	Needs
Saw a need that needed a response	addressing needs	Needs
Development organisations as catalysts, not the solution	Responsibility	Needs
Becoming part of their social agenda	Awareness	Social advocacy
Measure the awareness program	Awareness	Social advocacy
Education and awareness	Awareness	Social advocacy
Voice for the voiceless	Empowerment	Social advocacy
Changes in power relationships	Empowerment	Social advocacy
Influencing the wider perspective	Influence	Social advocacy
Effect we have on the people who volunteer	Influence	Social advocacy
Impact on the psyche	Influence	Social advocacy
Making yourself visible, wanted and desired	Influence	Social advocacy

Increased the influence	Influence	Social advocacy
Data for advocacy	Influence	Social advocacy
Reduction of pressure	Outcome & efficacy	Social Outcomes
How many people can we get employed	Outcome & impact	Social Outcomes
Looking for quite full quantum shifts	Outcome & impact	Social Outcomes
simple intervention as a big Impact	Outcomes & impact	Social Outcomes
Sustainable access	Outcomes & impact	Social Outcomes
Low effort for high impact	Outcomes & impact	Social Outcomes
If we didn't exist, what would the effect be	Outcomes & Impact	Social outcomes
We do have to measure outcomes	Outcomes & measurement	Social Outcomes
Number of wins	Outcomes & measurement	Social Outcomes
The outcome is the things you can measure	Outcomes & Measurement	Social Outcomes
Ultimate measurement is how many people appear at your clinic	Outcomes & measurement	Social outcomes
Don't have to measure everything	Outcomes & measurement	Social Outcomes
Macro level impact & SDGs	Breadth of Impact	Sustainable Impact
Impact on broader society	Breadth of Impact	Sustainable Impact
Broader system benefit	Breadth of Impact	Sustainable Impact
Impacting their families, the community at large	Breadth of Impact	Sustainable Impact
Collective change	Breadth of Impact	Sustainable Impact
Social impact is with our residents, staff and family members	Breadth of Impact	Sustainable Impact
Impacts to the lives of residents and their families	Breadth of Impact	Sustainable Impact
Solve this problem together	Breadth of Impact	Sustainable Impact
Pipeline for talent	Breadth of Impact	Sustainable Impact
Create a more powerful economic environment locally	Breadth of Impact	Sustainable Impact
Triple bottom line impact	Breadth of Impact	Sustainable Impact
How broadly are you affecting society?	Breadth of impact	Sustainable Impact
Never going to be enough	Breadth of impact	Sustainable Impact
Social impact versus Scalable impact	Breadth vs depth of Impact	Sustainable Impact
Balance between impact and scale	Breadth vs depth of Impact	Sustainable Impact
Upskilling and uplifting	Development	Sustainable Impact
Upskill and uplift	Development	Sustainable Impact
Developing an individual	Development	Sustainable Impact
Focus in on the individual	Development	Sustainable Impact
Help them grow	Development	Sustainable Impact
Setting them up for success	Development	Sustainable Impact
Changed the performance of kids	Development	Sustainable Impact
We have to empower them	Empowerment	Sustainable Impact
Catalyst for growth	Empowerment	Sustainable Impact
Navigate those bottom two rungs	Empowerment	Sustainable Impact
Enabling, networking and empowering people	Empowerment	Sustainable Impact
Job creation for NEETs	Job creation	Sustainable Impact
What are the ripple effects	Ripple effect	Sustainable Impact
Not only impacting the child but also the families	Ripple effect	Sustainable Impact
The entire family that is affected	Ripple effect	Sustainable Impact

Scalability and adoption of the business	Scalability	Sustainable Impact
Bang for their buck	Scale	Sustainable Impact
Challenge of creating Scale	Saleability	Sustainable Impact
Create scale and sustainability	Saleability	Sustainable Impact
Macro level & scalability	Saleability	Sustainable Impact
Helping communities	Societal impact	Sustainable Impact
Building a sustainable ecosystem	Sustainability	Sustainable Impact
Ecosystem to create sustainability and scale	Sustainability	Sustainable Impact
Longevity and integrity	Sustainability	Sustainable Impact
Sustainable job creation	Sustainability	Sustainable Impact
jobs that are created in a sustainable basis	Sustainability	Sustainable Impact
Gift that keeps on giving	Time frame	Sustainable Impact
Asking you to make 25 year decisions	Time frame	Sustainable Impact

5.3.1. Theme 1: 'Beneficiary Life Satisfaction'

The concepts of 'improving quality of life', 'making a difference' and 'empowering individuals' were all prevalent in the responses associated to the most important elements in terms of social impact assessment. The focus appeared to be from the beneficiaries' perspective, at an individual, community and societal level:

> *"So for us, then the measurement, how do we will go about to say, how do we then say, we want to measure whether we are moving the needle in terms of improving the lives of the people, we then start to say, we asked certain questions in terms of providing an improving access to social and public goods."(R5)*

A distinction was made between the outcome of an intervention, such as vision impairment alleviation, and the social impact that occurs as a result of that intervention, for example, improved quality of life:

> *"Yeah, I don't think that vision impairment alleviation is the social impact. You know, I think the social impact is on what that impairment does for that. The elevation of that impairment does for the individual in terms of, you know, the basic tenants of, of humanity, right, the ability to work, play, and survive, read and learn, work, play and learn, and also to be able to enjoy good quality of life." (R1)*

This point was reinforced by another respondent highlighting the importance of understanding the effect of a change and the resultant impact on the life of a beneficiary:

> *"They don't broadly speaking, say, Well, I went from a visual acuity of 612 to six 9.5, therefore, I must be happier. I think it really comes down to what can they do with that change? That those change metrics to what degree does it impact on their life." (R11)*

Other perspectives linked outcomes and impact more directly, indicating that the outcome or change in fact represented the impact:

> *"And that can be as simple as before the person was hungry, now they're not hungry, to before the person had no access to food, and now they do have access to a garden. So they can grow their own food, or whatever. So there's, so there's, so there's that level of direct impact." (R9)*

5.3.2. Theme 2: 'Needs'

The mission or purpose of social enterprise came to the fore in terms of addressing needs. Respondents were able to shed light in terms of social impact measurement in the context of the role that their organisations play in addressing social issues:

> *"So when we got started or when the Order got started back in 1882. It didn't see the world and medicine in terms of a series of audit cycles as we currently see them. It saw a need and need clearly in the absence of any other help needed a response." (R11)*

It was evident that the fluid nature of social issues and associated needs can require agility and evolution in terms of the social enterprises response to a social issue:

> *"So have we remained true to our core? Yes. Would we have had on our radar last year, January, February, that we would be the nation's biggest*

volunteer force of vaccinators? And the answer is no, it wasn't on the radar. But it was a social impact need that needed to be met and met quite quickly." (R10)

The sheer size and scope of the issues that were being also had a bearing on the perceived role of social enterprise in addressing needs:

"I think, the idea of, of development organization, is to be a catalyst and not a solution. Because no non-profit, no development organization, no company can do the responsibility of government and cater for the old population." (R1)

5.3.3. Theme 3: 'Social Advocacy'

An interesting insight that emerged from a number of respondents was the relevance and importance of being able to assess the effectiveness of communication and awareness programmes linked to social impact interventions and associated objectives:

"So you need to measure the awareness program. So you can easily measure how many people were aware about or know about TB HIV before you started, and then put your program in, monitor your program, and then measure what it is afterwards, we had did a lot of organizational motivational stuff like faith based organizations and local committees and other organizations that existed within the communities that we approached them all, with more or less the same message." (R12)

Social Impact data was highlighted as a means of advocating for and influencing public and private investors:

"And yet, the world is crying out for the data, because that's the most powerful data for advocacy efforts to get governments to invest to get private sector investment." (R1)

The influence of social advocacy had a major effect on internal stakeholders in involved in carrying out the interventions:

> *"So we've surveyed for example, every vaccinator you know, what, what worked for you? What didn't work? How did you feel? I mean, you know, people were feeling like heroes have, right. Right, just by administrating one jab, amazing. You know, so that the psyche, the impact that this had, and the social impact that it had was huge. (R10)*

Social advocacy was also identified as a means of influencing the broader perspective on a societal issue or problem:

> *"…very, very, very conscious of the work here is the way in which organizations like ours create social impact by influencing the wider rhetoric and the wider perspective on what a problem looks like." (R9)*

5.3.4. Theme 4: 'Social Outcomes'

According to the data, social outcomes, in relation to impact, measurement and efficacy emerged as a key element in terms of social impact measurement. Respondents appeared to focus on outcomes based on their measurability and their link or relevance to the overall social impact objectives:

> *"Yes, we do have to measure outcomes, because only by doing so, do we know if we're serving properly. But the injunction is, is essentially to serve. And that you hope will change the quality of people's life." (R11)*

Once again, a distinction was made between impact and outcomes, with outcomes described as a measurable indicator of impact:

> *"So I think I think the outcome is the thing that you can measure. Yes, the outcome is the things you can measure the impact is what you are doing. And we hope that the impact exemplifies itself and certain*

outcomes. Okay, so the outcomes of the work that we do are, we hope changes in attitude, willingness to volunteer willingness to donate." (R9)

The measurability of outcomes made them more accessible from the respondents perspective in that they could linked to a key objective such as reducing pressure on a health system:

"And the measure was, how much you know how many patients we attended to, and how many of them actually ended up in hospital. So how many were treated at the scene, and therefore, a reduction of pressure on the NHS? Okay, that's a key measure. If that makes sense." (R10)

Outcomes were also linked as a mean of measuring the effectiveness of an intervention, once again highlighting the role they are seen to play as an indicator of impact:

"And the ultimate measurement is how many people appear at your clinic. And you can measure how, what do they understand and know about the disease, you can put probes in there that can measure, measure those things, and then follow up is the one that is the most useful, if they've got to come for follow. That's a really easy and good measurement to see how effective you've been." (R12)

5.3.5. Theme 5: 'Sustainable Impact'

The most dominant theme that emerged in respect to key elements of social impact measurement related to the importance of achieving sustainable impact. An interesting concept that emerged was that of achieving breadth of impact vs depth of impact and the importance of finding the right balance between them:

"That's a very big, not as direct measure of social impact. But right. You could take a project, and get the most amazing social impact in a small environment, because it's so uniquely designed for that environment. Or you can take a project and design it, it may not go to the depth of achieving or so much social impact. Maybe it's 80% level rather than

100%. But it's scalable. And I think you need to look at the balance." (R1)

Another insight linked to the importance of understanding the second order or ripple effects of sustainable social impact projects and whether these effects are in fact measurable:

> *"You know, the ones that are employed, how did it change their economic status? You get what I'm trying to say, yes? And how did that create another opportunity before that? What are the ripple effects? Because in my understanding, social impact also encompasses ripple effect from one initiative." (R2)*

The importance of sustainability was also linked to timeframe with the respect to the importance of having impact over the long term:

> *"To me, it's not the number of businesses, it's the number of full time equivalent jobs that are created on a sustainable basis. So it's not just the jobs in year one, it's jobs in year five, and the number of jobs in your chain, recognizing that some businesses are going to go through ups and downs." (R8)*

5.3.6. Conclusion to research question 2

The means of being able assess the positive change or difference made in beneficiaries quality of life was highlighted as a critical measurement in terms of social impact. This change could be at an individual, community or societal level.

Addressing particular needs links to the core purpose or missions of social enterprise and the role that it plays in addressing social issues. Debate did emerge on what the role of a social enterprise should be, given the sheer scope and size of some of the issues they are trying to address.

The importance of being able to track the effectiveness of communication programs around social intervention projects is linked to the power and relevance of social advocacy

in changing perspective around a problem or issue. It links to concepts such as influence, awareness and empowerment for those involved within the organisations and beneficiaries alike.

Social outcomes emerged as a key element in the context of measurement, project efficacy and impact. The importance of the outcomes was based on their measurability and relevance to the overall social impact objectives with outcomes being seen as evidence of impact.

The ability to achieve sustainable impact was the dominant theme in terms of element of social impact measurement. The concept of breath of impact versus depth of impact was discussed as well as the importance of assessing whether projects were creating scale and sustainability in terms of social impact. Linked to this was the acknowledgment of ripple effects and how these could be measured as well as the importance of incorporating a long term view of social impact interventions.

5.4. Research Question 3

What are the challenges associated with social impact measurement?

The inductive content analysis performed in relation to research question three was based on gaining insight into the major challenges associated with social impact measurement as well as the ways that the social enterprises in question have been able to navigate said challenges. Once again, the manual, thematic analysis of the relevant responses gave rise to the most prominent and pertinent themes. Eight key themes emerged from the data in relation to key challenges in social impact measurement.

Table 6: RQ 3 – Codes, Categories & Themes

Code	Category	Theme
Crippled by reporting	Efficacy vs Measurement	Barriers
Complex	Complexity	Barriers
Very complex research task	Complexity	Barriers
Tough thing to do	Complexity	Barriers
Measurement is quite a complex issue	Complexity	Barriers
Reporting requirements are very complex	Complexity	Barriers
So complex and difficult	Complexity	Barriers
Nothing we ever do is best practise	Complexity	Barriers
Taking away from the efficacy of the project	Efficacy vs measurment	Barriers
Crippling monitoring and evaluation departments	Efficacy vs measurment	Barriers

Limited social impact measurement on major social impact factors	Limited measurment	Barriers
Benchmarks not very high	Limited measurment	Barriers
Founder syndrome	Priorities	Barriers
Technology was a barrier	Technology	Barriers
Don't factor the costs in	Cost constraints	Constraints
Constraints on the budget for evaluation	Cost constraints	Constraints
Cant expand due to no funding	Cost constraints	Constraints
Problem is the cost	Cost constraints	Constraints
Can't afford to do that on any reliable scale	Cost constraints	Constraints
Can't afford to do that	Cost constraints	Constraints
It's expensive	Cost constraints	Constraints
Challnege in getting resources for research	Lack of resources	Constraints
Don't have resources	Lack of resources	Constraints
Limited resources	Lack of resources	Constraints
Not been able to achieve scale	Lack of scale	Constraints
Lack of partners and skills to measure impact	Lack of skills	Constraints
Not enough time	Time constraints	Constraints
Environmental and macro factors	Environmental factors	Context
End keeps on changing	Environmental factors	Context
Changes the game	Environmental factors	Context
Changing environment that we operate in	Environmental factors	Context
Social and abandonment component	Environmental factors	Context
Environmental factors	Environmental factors	Context
Circumstances have changed	Environmental factors	Context
Gaza has other problems	Environmental factors	Context
Other pressures would bring a ceiling down on your measurements	Environmental factors	Context
Crosswinds of so many conflicts and pressures	Environmental factors	Context
Metrics will be different for different parts of the world	Environmental factors	Context
Measuring it from a different lens	Focus	Context
The research is very much looking at impact within that particular setting.	Focus	Context
Not always positive, sometimes negative	Impact implications	Context
Have to be quite careful as to what your impact might be	Impact implications	Context
Measure all these social enterprise sector imbalances	Impact implications	Context
Growth varies from one person to the next	Individual Factors	Context
Everybody is different	Individual Factors	Context
Everyone is likely to be very different	Individual Factors	Context
Your social impact is constantly going to be shifting	Moving target	Context
Multiple Organisational factors	Other Factors	Context
Careful about what outcome measures really are	Pre-defined objectives	Context
Our context is quite narrow, because its about our mandate	Pre-defined objectives	Context
Measure of impact exposes client contribution	Accountability	Governance
Try to avoid measurement	Accountability	Governance
Some kind of external measure	Accountability	Governance
Answer to a group of people who are very astute	Accountability	Governance
Milk the system	Regulatory issues	Governance

Box ticking exercise	Regulatory issues	Governance
Overcome government regulations	Regulatory issues	Governance
Getting past bureaucracy was a major, major challenge	Regulatory issues	Governance
Very broad oversight	Regulatory issues	Governance
Governments put the wrong incentives in place	Regulatory issues	Governance
Conformance rather than performance	Regulatory issues	Governance
SMEs rotate from one incubator to another	Regulatory issues	Governance
Need for sophistication	Measurement Tools	Intangible metrics
Rather vacuous measurement	Qualitative vs Quantitative	Intangible metrics
Raises the question as to what metrics you use	Qualitative vs Quantitative	Intangible metrics
Difficult to measure development	Qualitative vs Quantitative	Intangible metrics
How do you measure that impact	Qualitative vs Quantitative	Intangible metrics
Hardest to measure and least willing to take seriously	Qualitative vs Quantitative	Intangible metrics
How thin and inadequate purely quantitative measures can be	Qualitative vs Quantitative	Intangible metrics
Soft things are important, but they're difficult to measure	Qualitative vs Quantitative	Intangible metrics
How do you quantify the impact?	Quantification issues	Intangible metrics
Hand to quantify and to measure	Quantification issues	Intangible metrics
Difficult to measure intangible things	Quantification issues	Intangible metrics
Measuring what you didn't intend	Quantification issues	Intangible metrics
How do you measure intangibles	Quantification issues	Intangible metrics
Outcomes open to abuse	Exploitable Outcomes	Outcomes vs Impact
Outcomes are exploitable	Exploitable Outcomes	Outcomes vs Impact
Instead of being the start of the conversation, they become the end of the conversation	Outcomes & Measurement	Outcomes vs Impact
Operational outcomes are not social impact	Outcomes & Measurement	Outcomes vs Impact
Outcome measures do need to be robust	Outcomes & Measurement	Outcomes vs Impact
Materialisation of the Ngo world	Outcomes & Reporting	Outcomes vs Impact
We were just starting to do a lot of impact, deep impact evaluation	Impact Evaluation	Research
You need stable university setups, you need researchers	Need researchers	Research
Funding allocation for Research	Research funding	Research
Challenge universities and other postgraduate programmes	Social Research	Research
More socially relevant research needed	Social Research	Research
Social impact theory	Theory	Research
Ambition to build an organisation	Focus	Stakeholder Alignment
Systems are flawed and not integrated	Not integrated	Stakeholder Alignment
Client reluctance to focus on elements of measurements	Priorities	Stakeholder Alignment
We are just a nuisance	Priorities	Stakeholder Alignment
Politics in the organizations	Priorities	Stakeholder Alignment
Deal with our differences	Priorities	Stakeholder Alignment
Lack of political want to do that lack of will to do that	Priorities	Stakeholder Alignment
Working in silos	Silos	Stakeholder Alignment
Siloed behaviour	Silos	Stakeholder Alignment
Dynamics playing themselves in our in our interactions with clients.	Stakeholder Management	Stakeholder Alignment
Interchangeability of stakeholders	Stakeholder Management	Stakeholder Alignment
Lack of alignment internally	Stakeholder management	Stakeholder Alignment
There's a line, but actually there's no alignment	Stakeholder management	Stakeholder Alignment

You've got multiple stakeholders	Stakeholder management	Stakeholder Alignment
Discord between the project and other players	Stakeholder management	Stakeholder Alignment
Got to deal with the other side of the equation	Stakeholder management	Stakeholder Alignment
Negotiation of massaging of egos	Stakeholder Management	Stakeholder Alignment
Cannot have social impact without stakeholder management	Stakeholder management	Stakeholder Alignment
All about partnerships	Stakeholder management	Stakeholder Alignment

5.4.1. Theme 1: 'Measurement Barriers'

A number of social impact measurement barriers emerged from the interview data with issues of complexity in terms of measurement and reporting being raised by a number of the respondents:

> *"So I think the old research agenda is totally bankrupt. Right? Because it is left to NGOs to then measure the social impact, right? And yet, when you read the literature around our measurement of social impact, it's actually a very complex research task." (R1)*

> *"So I, yeah, I guess, all of these measures I worry about, because they're so complex, and they're so difficult. It's, the temptation is we end up putting something in place, which we know is only a proxy, and then we forget, it's a proxy, and we start thinking, it's, it's a fact that we start believing our own our own PR." (R9)*

Other barriers included finding the right balance of resource deployment between measurement and efficacy of any given project:

> *"It's like being part of it's like being part of a global corporate organization where, you know, you have a monthly finance meeting, and all you do is report. That's what happens with those big NGOs that are being donor funded. They they're just crippled by reporting, and report writing, and monitoring and evaluation. So I think that balance, that balance is, is crucial." (R3)*

Additional concerns were raised around the limitations of current measurement

approaches due to low standards:

> *"I suppose the fact that our NGO partners themselves are not very good at measuring impact. So you know that unless they big donor funded? And so the benchmarks are not very high" (R3)*

5.4.2. Theme 2: 'Measurement Constraints'

While this theme is similar to 'barriers', it is used in the context of various measurement limitations based on a lack of available resources. This was predominantly driven by the high cost associated with social impact measurement:

> *"There's been constraints on the budget for evaluation, having the right evaluation supplier. And they're the ones that come with, you know, picking the right samples, doing the right interviews, doing the right questionnaire, doing the right surveys, you know, to check as to the impact of the programs on the lives of the beneficiary" (R2)*

> *"So I do miss that because I'm from my commercial world, I know that if I was working for Unilever, I could I could easily commission a survey that would that would test that out for me and give me some give me some tracking data. So we can't we can't afford to do that." (R9)*

There also appeared to be a lack of general resources ranging from time constraints and lack of necessary partners and skills:

> *"The biggest barrier Lack of partners and skills to adequately measure social impact, you know, especially in the Eye Care space, which means that you are forced to then, you know, when there are fewer players, then the cost goes up much more. Right? I would say those are the two main barriers that we face." (R1)*

"But that's what then triggers the work that we that we try to do that which is potentially measurable. But I would, because I just always have limited resources. And it's not just a natural resource, but the resource of time." (R9)

5.4.3. Theme 3: 'Context'

Based on the data, the subjectivity of impact and how it is measured is directly influenced by specific factors which inform the context of social impact measurement. These factors range from the unique nature of individuals to the different views and perspectives inherent to specific environments and communities in which social interventions take place:

"You know, growth varies from one person to the next. Yes, depending on the needs analysis. But overall, what we are doing is to expose every beneficiary to information and knowledge that results into their development as a person that will result in the organization and training as a supplementary." (R2)

"But this is what it comes back to contextual again, because 80% of Gazans are unemployed anyway. And even if we had no eye disease and Gaza, because of the socio economic prospects for them, you know, the question is, how much would it improve them? Other than make their personal life slightly easier to live the poor things, and it would do, but Gaza has other problems." (R11)

An additional challenge links to the fluid nature of social impact and how a shock such as COVID-19 impacts pre-defined objectives and initial pre-project definitions of what success looks like:

"But for example, our clinic numbers have more or less halved in the last year, not because we are not performing well not because we are performing at half the capacity, where are the circumstances in which we're providing health care, because of COVID because of the rights because all the other things have changed. And that's important for me

to measure, but not to be measured by I guess that's my, that's my nervousness about a performance metric."(R9)

Social Impact can also have unintended consequences depending on the context of who is being impacted as a result of a given intervention:

"Or you've done everybody's cataracts and now there are 100, unhappy people who used to be the carers of black people. And now they haven't got a job. So the impact of your cataract surgery is now a whole lot of displaced people who no longer have some function. And if you look hard enough, you displace lots of things when you intervene. Right. And you've been quite careful as to what your impact might be on this thing." (R12)

5.4.4. Theme 4: 'Governance'

Bureaucracy and regulation were highlighted by a number of respondents as hurdles that need to be overcome in achieving social impact measurement:

"And so, getting past bureaucracy was a major, major challenge. I put it into perspective, then, you know, we're on to our seventh working group with the NHS since this program started seven different working groups. You know, they've changed hands so many times, you know, and so, you know, we've had to learn some tough lessons as well." (R10)

While the importance of being held to account was acknowledged, the concerns raised link to the exploitability of certain processes whereby parties are able to milk the system or tick the boxes, described as the distinction between conformance and performance:

"I tend to be too cynical about this, but I have seen organizations NGOs, which have the most fantastically good managerial systems in place who collapse and they collapse from the inside. And they collapse because they lose their soul, they lose their passion. And because it becomes a box ticking exercise." (R9)

All of them are looking at a box ticking and looking at what is called conformance rather than performance. I see. So they say have I done this right? Rather than have I had that impact? And that's why I think social impact investing is so important."(R8)

Another associated challenge relates to the measurement avoidance by certain stakeholders due to the fear of mal performance being exposed:

> *"They try to avoid a measurement, because they know that along the way, we'll be able to show that 50% of us not being able to achieve impact on this is because you are not paying your partners. So they try to avoid those things." (R5)*

5.4.5. Theme 5: 'Intangible Metrics'

The intangible nature of social impact makes it a very challenging thing to measure. From the respondents' perspective, this was highlighted in the form of issues around the ability to quantify and effective measure the intangible things or the "soft things" as it was described:

> *"So it's difficult to measure intangible things is difficult. To measure people's level of competence is difficult, or even, you know, or their level of personal mastery and leadership is very difficult." (R2)*

> *"But how do you quantify the impact of that idea? For us? Like, you can link it back to referrals, like how many doctors prescribe a dream that was the original brief, but the impact of a dream room in a space where people are kind of finding family time they're not at a bedside, there's computers for internet use this Wi-Fi, there's PlayStations there's games that you play. How do you quantify that? I don't know." (R3)*

Another issue was the nature of qualitative versus quantitative metrics, the relative importance of both and the dangers focusing on purely quantitative measures:

"I did lots of work in market research. So I am, I come from a very strong commitment to the value of qualitative and quantitative measures side by side. And I know from practical experience in the commercial world, how thin and how inadequate purely quantitative measures can be." (R9)

"So it's a complicated area, because the metrics obviously show you're not going in the wrong direction, they show you're going in the right direction, from the point of view of expected scientific outcome. But if of course, not married to the sort of patient experience, or the effect on society, or how they feel it improves their position in society, then, of course, it's a rather vacuous measurement" (R11)

5.4.6. Theme 6: 'Outcome vs Impact'

Not to be confused with the 'Social Impact Outcomes' from the Key Elements section above, this particular issue was linked to reporting priorities that are associated to material outcomes as opposed to the direct impact of a given initiative, thereby losing touch with the key objectives the project is trying to achieve:

"And sometimes, unfortunately, the materialization of the NGO world has actually made the direct impact, one of the things that people that seem to be least interested in, even though that's what most donors think they're paying for." (R9)

An interesting perspective that emerged is that people mistakenly view operational outcomes as impact and that the two are in fact different:

"So I think that, you know, one of the mistakes people make is, they look at the operational outcomes of what they do as being the social impact, you know, eye exams, glasses, etc. But for me, that's not the social impact." (R1)

While another view related to the need for more robust outcome measures in order for the

measures to be more statistically relevant:

> *"Outcome measures do need to be robust in order to show statistical significance, but, you know, even say we had 1000 patients and they went from you know, whatever vision they went to a much better vision statistically significant comparative, we didn't operate on the other hand, very difficult to prove because proof does suggest a level of statistical certainty that from a personal and family and society position, it actually makes the society better or not." (R11)*

5.4.7. Theme 7: 'Stakeholder Alignment'

The final issue that emerged with respect to social impact measurement challenges spoke to issues around alignment of the various stakeholders involved. The first of the three identified concerns was around navigating the different and sometimes competing priorities of the interest groups involved with a project or the organisations:

> *"Organizations is also a barrier study, there's also the barrier broadly in organizations where lack of political want to do that lack of will to do that, because a lot of people in the IT sector and all of that, not necessarily people who want to measure social impact, they just want to say how many people we serve, how many glasses you gave, oh, yeah, put it out on the website, claim this, now use that to raise more money" (R1)*

> *"So that internal alignment, and it's, it's prevalent in non-profits around I mean, we working now with a big one that's hot, very well-funded us money. And it's a clinical academic institution. And you say, what does success look like at the end of this project? And 10 people around the table give you 10 different aspects. (R3)*

The second concern linked to the challenge associated with silo behaviour and a lack of system integration:

> *"It also highlighted for us where, you know, where we've got siloed behaviour in the organization, or, you know, where collaboration, we might say we collaborate, but actually, there's some you could you could consciously drive, you know, training, content development deployment." (R10)*

The third and final concern around stakeholder alignment dealt with the importance and difficulty of general stakeholder management through the management of discord between parties and massaging of egos where necessary in order to function in effective partnerships:

> *"I think it's endemic to NGOs. Because that, that, because people come with goodwill, as opposed to a corporate mind-set, of like, let's stretch this out around the table. And, and, and deal with our differences." (R3)*

5.4.8. Theme 8: 'Research'

One of the interesting themes that emerged in relation to the social impact measurement challenges linked to the importance of conducting more socially relevant research. This was underpinned by the need for additional input from academic institutions in order to formalise effective measurement methods of social impact:

"I think it needs more intervention from academic institutions and others to do more socially relevant research that evaluates impact and measures impact and stuff like this." (R1)

> *"And we can only commission periodically, some studies, we don't have the bandwidth to we're not a research organization. And so I do think, for me, not just for Eye Care, but for the sector of the development sector. I think we need to challenge universities and other postgraduate programs, about the extent to which they focused on issues like this in society around research." (R1)*

The need to building additional research capacity was also addressed through dedicated

funding allocation for research and the suggestion that university setups and their associated resources also have an important role to play in accurately capturing, measuring and reporting on social impact:

> *"Its resources to have the logistics to be able to measure things. And if you want to measure things you need, you need stable University setups, you need researchers, you need to have unit of stable domiciles, you need the ability to move around society to take these measurements, you need the ability to follow through, you need those people to be able to report them, because you can have all this data, but if it was not reported somewhere, rather, it effectively doesn't exist." (R11)*

> *But I think funders need to hold people to higher standard now, and allow for within those funding allocation for research to be done. That actually measures the impact, right? We don't have to measure impact all the time. But we need to measure at least in certain circumstances (R1)*

5.4.9. Conclusion to research question 3

A number of barriers emerged in the context of social impact measurement, chiefly the level of complexity involved with implementation and reporting. Balancing resources in terms of measurement and project objectives was also raised as a challenge along with the limitations of current measurement approaches and the exploitable nature of operational outcomes.

Key constraints relate to social impact limitations based on the lack of available resources. These include high measurement costs, time constraints, a lack of necessary skills and the inability to achieve scale.

Social impact is subjective based on various factors that inform the unique context in which it is measured and reported on. These factors can range from individual and organisational perspective to macro influences of the environment in which a social enterprise operates. Social Impact is also dynamic in nature adding a layer of complexity in linking pre-defined objectives to a moving target.

Bureaucracy and regulation represent hurdles that need to be overcome in the assessment of social impact. While their importance is understood in ensuring accountability, concerns lie in the implementation of such controls, which can be exploitable and ensure conformance as opposed to performance. Fear of exposure as a result of this governance can also give rise to measurement avoidance.

Social impact, while considered essential, is a very difficult thing to measure due to the intangible nature of impact. The inability to effectively quantify and measure softer or less tangible metrics such as the impact of an idea was raised as a major challenge. The importance of incorporating both qualitative and quantitative metrics was highlighted as well as the pitfalls of focusing of have an exclusively quantitative focus.

A focus on the material outcomes of a project based on reporting priorities can draw attention away from the direct impact of the project and thus its core purpose. Two contrasting perspectives emerged, the one being that operational outcomes are not in fact impact while the other perspective called for more robust measures of outcomes in order for their measures to be more statistically significant.

Alignment between all relevant stakeholders was highlighted as being critical and very difficult to achieve. This is due to challenges associated with having to manage competing priorities, people operating in silos and systems that are not integrated. Achieving alignment between key stakeholders requires dealing with differences and discord and massaging egos where necessary.

When it comes to the actual process of social impact measurement, more structured and socially relevant research input is required in order to assist in the effective measurement of social impact. Additional capacity is required in the form of input of academic institutions and universities as well as dedicated funding for impact-related research.

CHAPTER 6: DISCUSSION OF RESULTS

6.1. Introduction

The findings presented in the previous chapter will now be unpacked and discussed against the background of theory presented with the literature review in chapter 2. The resultant insights will be used in attempt to find answers to the posed research questions in chapter 3. Key themes identified in the results chapter will be used to inform these answers with the ultimate objective developing an understanding of how hybrid organisations measure social impact.

6.2. Research Question 1

How do you currently measure and/or report on Social Impact?

This question was posed in light of the overall research objective in trying to establish how hybrid organisations, such as social enterprises, currently measure the social impact of the work that they do. It speaks to the actual process of measurement (if any), that is applied in these organisations both from a social performance and impact management perspective.

6.2.1. Reporting

For a number of respondents, social impact measurement was synonymous with the reporting thereof given the importance of this information to key stakeholders. This aligns to the theory that there was also a growing expectation from funders and other key stakeholders for SEs to provide monitoring and evaluation reporting on social impact projects (Fowler, Coffey & Dixon-Fowler, 2019).

An interesting insight that emerged was the varying importance on the nature of the reporting depending on the perspective of the social enterprise and the expectations of the stakeholder. This would suggest that that different stakeholders have different priorities when it comes to the kind of insights they want to see when it comes to assessing the impact of an organisation. Thus the expectations and priorities of these stakeholders could have had an impact on strategic decision making within the social enterprise (Ramus, La Cara, Vaccaro & Brusoni, 2018). Indeed, it appears to have a major influence on the approach that social enterprises adopt in measuring social impact.

6.2.2. Social Impact Agenda

It is not only stakeholders that have a particular priority or agenda when it comes to social impact and the measurement thereof. The social enterprises themselves will have any number of different agendas that drive them. While the theory was clear on the role of differing stakeholder agendas and the importance of navigating them through effective communication and stakeholder management, less attention was given to the priorities of the social enterprises themselves. This is not surprising given the importance of key stakeholders in social enterprises. Donors in particular tended to have the authority to hold SEs to account, particularly those enterprises that largely depended on donations in order to be financially sustainable (Jiao, 2020).

6.2.3. Social Impact Metrics

A wide variety of measures and approaches emerged from the data. This is in line with the literature which suggested that social impact was being measured across a wide variety of methods. The heterogeneity of social enterprise required specificity in terms of indicators and accounted for the large array measurement methodologies. It also explained the lack of agreement in terms of a generally accepted, shared measurement approach for social impact (Perrini, Costanzo & Karatas-Ozkan, 2021).

Qualitative insights were highlighted as a key metric for some, pinpointing the need to understand the impact related to the work done and to also gain insight in terms of the experiential experience of those involved in the work or interventions of the organisation. This was an interesting insight given that the literature tends to focus on the beneficiary experience of social impact as opposed to the experience of those involved in carrying out the prosocial activities. Social impact could be broadly defined as prosocial activities that resulted in positive outcomes which were experienced by targeted beneficiaries ranging from individuals to communities and organisations (Lee, Lee, Kee, Kwan & Ng, 2021).

The need for more robust and sophisticated measurement tools also came through as an important enabler of the measurement process. This perspective is congruent with the theory in that standardised impact assessments and metrics were also difficult to implement, given the diverse nature of social enterprises (Millar & Hall, 2013). Indeed, the literature highlighted the need for flexible social impact measurement approaches in order to address the ambiguity associated with the contextual nature of social impact.

A point of debate emerged around the concept of measuring what was measureable. One perspective emphasised the need to focus attention on outcomes that are in fact measurable and quantifiable. This point was countered by another opinion that suggested that while measurement is typically determined by what is considered measureable, this takes away focus from the things that actually should be measured, but are typically not. The literature highlighted conditions where outcomes and impact could be measured, but also raised an interesting perspective on whether they should be measured. A more complex question related to the decision as to whether outcomes and the resultant impact should have been tracked given that outputs would not always result in outcomes and those outcomes would not necessarily have led to impact (Ebrahim & Rangan, 2014).

6.2.4. Research Question 1 – Conclusion

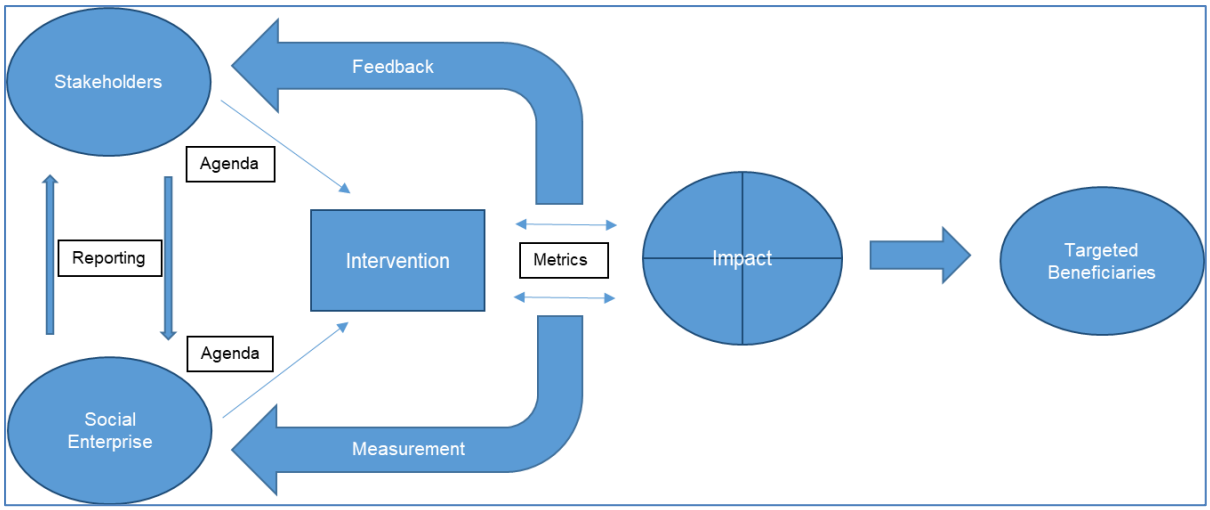

Figure 4: Social impact measurement process

Reporting plays a critical role in determining how social enterprises implement impact assessment and the nature of the relevant metrics used. The focus on quantitative or more qualitative measures tends to be informed by the focus and the needs of the relevant stakeholders that are being reported to.

While this concept of social impact agenda or priorities has a major bearing on the approach used in social impact assessment by different social enterprises, the literature tends to prioritise stakeholder focus and needs over those of the social enterprise, whereas the data clearly evidences that the agenda of social enterprises can have a

fundamental impact on their specific approach to social impact measurement.

There are varied and polarised perspectives in terms of relevant social impact metrics and while there is general agreement on the importance of qualitative insights, there is also a need for more sophisticated tools and instruments in order to capture the relevant information. A point of contention arose regarding the ideal focal point of measurement. The differing perspectives around what can be measured and what should be measured seem to be symptomatic of the broader challenge associated with a lack of agreement around a standardised methodology for social impact measurement.

6.3. Research Question 2

What elements are taken into account in order to measure social impact?

In building an understanding of social impact measurement, it is important to understand the key elements that social enterprises take into account when assessing the impact of their work. Linking the theme that emerged in the literature regarding beneficiary experience, the first theme that emerged from the data in relation to key elements was the importance of framing outcomes and impact from a beneficiary perspective.

6.3.1. Beneficiary Life Satisfaction

Social impact could be broadly defined as prosocial activities that resulted in positive outcomes which were experienced by targeted beneficiaries ranging from individuals to communities and organisations (Lee, Lee, Kee, Kwan & Ng, 2021). This definition was echoed by the respondents whereby concepts such as “improved quality of life”, “making a difference” and the “empowerment of individuals” came through strongly.

The data highlighted a clear distinction between the outcome of an intervention, such as vision impairment alleviation, and the social impact that occurs as a result of that intervention, for example, improved quality of life. This was in line with the literature wherein Impact had been described as a major and enduring shift in people’s lives as a result of a single or series of events or actions, while outcomes referred to the enduring results that affected communities and societies (Molecke & Pinkse, 2017).

An alternative view from the data suggested that outcomes are not necessarily divorced from impact, in that by virtue of the outcome, i.e. a fed person is no longer hungry, and thus there is a direct level of impact.

6.3.2. Needs

The importance of addressing particular needs emerged as another important element in relation to social impact assessment, given the link to the ultimate purpose and missions of the respective social enterprises. Ormiston (2019) is in agreement suggesting that social mission driven organisations, such as social enterprises, are under increasing scrutiny to demonstrate the impact created through their work in addressing social issues.

The data drew attention to the fluidity of social issues and the importance of agility and adaptability in the face of changing environments. Scholars also highlight the importance of adaptability, but more from the perspective that SEs needed to be adaptable as the concept of 'social enterprise' had different meanings depending on the region in which the SE was operating. This subjectivity could be as a result of the variety factors linked to broader expectations around the role of public, private and civil society in tackling challenges such as poverty or unemployment (Bolzani, Marabello & Honig, 2020).

The data also highlighted this issue of the perceived role of the non-profit sector organisation in tackling social issues suggesting that it is more around catalysing a social change towards finding a solution as opposed to actually providing the solution and thereby taking on what should be the role of the government. The literature however contends that social impact can be linked to an organisation's overall effort in addressing the causal issues of broader challenges such as poverty, unemployment and addiction. This related to ongoing research around the work needed to address grand, societal challenges (Wry & Haugh, 2018).

6.3.3. Social Advocacy

A number of the respondents emphasised the importance and relevance of tracking the effectiveness of communication and awareness programs given the importance of influence and advocacy for all stakeholder groups. From the literature perspective, there was little mention of social advocacy, however it was suggested that clear communication around the measurement of outcomes and key performance metrics aided in alignment the differing agendas of the various stakeholders in terms of the fulfilment of dual social and economic missions (Jiao, 2020).

6.3.4. Social Outcomes

The data indicated a tendency to focus on project outcomes on the basis of their

measurability and their perceived causal link to the resultant social impact. The literature highlighted the immediacy of outcomes indicating that outcomes could be described as immediate effects that an organisation had on the communities in which it operated (Wry & Haugh, 2018).

This could explain the propensity for social enterprise to focus on outcomes given their relative accessibility and measurability when compared to impact. However certain respondents were more sceptical of viewing the outcomes in isolation, highlighting the link between outcomes and the operational mission. In addition, it was suggested that by not taking the qualitative data into account, the outcomes focus measurement could be a bit limited.

6.3.5. Sustainable Impact

The dominant theme that emerged in relation to key elements was the importance of being able to measure and demonstrate long term, sustainable impact. An interesting view that emerged was that of needing to achieve the correct balance between depth and breadth of impact, with the argument being made that scalability could be considered more important than tailoring a project to suit a particular circumstance.

This perspective does align to the literature which indicates that while SEs could be very unique in form and context, there was commonality in the kinds of needs and issues they sought to address. This suggested the possibility for the creation of a broader, more generic metric for assessing social outputs and outcomes and thus a more relevant means of comparison (Wry & Haugh, 2018).

Another insight that the emerged from the data was around the concept of ripple effects that occur as a result of the impact created by an intervention. The importance of taking these second order or ripple effects into account and determining whether in fact they were measurable. Rawhouser, Cummings & Newbert, (2019) agree suggesting that the creation of social value not only aids direct beneficiaries, but can also have an impact on the broader system in which they operate. They also highlight the need for extended time consideration in impact analyses in order to for these multilevel and secondary effects to be realised. This was in line with the data which highlighted the importance of being able to measure the impact effects over the long term.

6.3.6. Research Question 2 – Conclusion

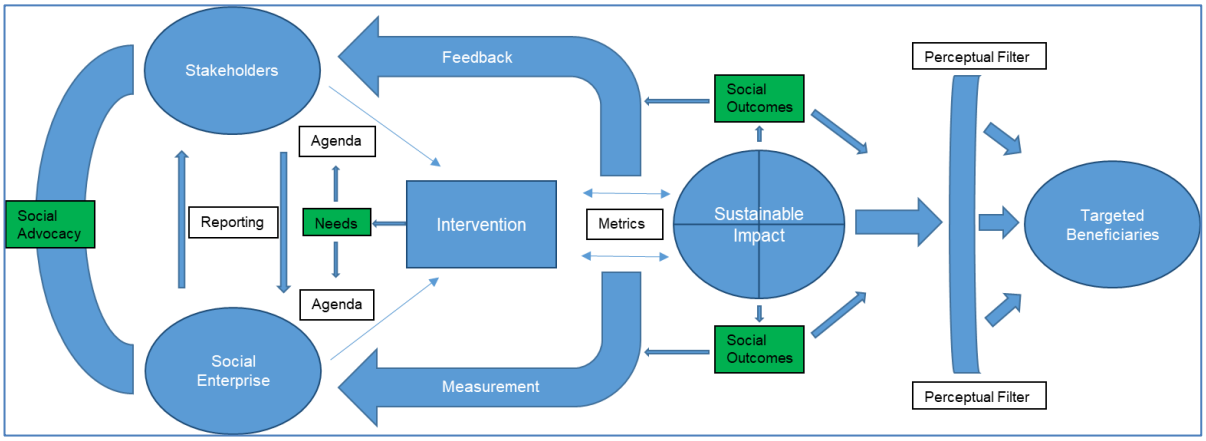

Figure 5: Social Impact measurement process + key elements

The data highlighted the importance of being able to assess positive social impact, such as differences made in quality of life, from a beneficiary perspective be it at an individual, community or societal level. This is an important insight given its potential to effectively transcend the varied influences of stakeholder and social enterprise agendas, as discussed above. This would suggest that measures such as Life Satisfaction and Subjective Wellbeing could well have application in the context of this study, and possibly at a broader measurement level across different social enterprise contexts.

The ability to address a particular needs was raised on connection with achieving the core purpose of mission of the respective social enterprise. Emphasis was placed on the importance of agility in terms of being able to adapt to a fluid environment and the associated change in social issues. A point of contention did arise in the sense of what the role of social enterprise should be in addressing broader social issues, a 'catalyst' according to the data versus addressing causal issues of social problems according to the literature. Once again, this dissonance is an indicator of a broader challenge in clarification needed on the role of organisations within the social sector.

Social advocacy, while not prevalent in the literature, certainly emerged as an important element from the data. This was primarily due to the importance of influence across all stakeholder groups not only in terms of understanding how social value and impact were created but also in changing broader perspectives around how a social issue or problem is framed and how it could be addressed. This would suggest that general metrics around

the efficacy of communication (and the associated social advocacy) around an intervention could be linked to the resultant impact.

Social outcomes emerged as a key element for social impact assessment in the context of measurement, project efficacy and impact. The importance of the outcomes was based on their measurability and relevance to achieving overall social impact objectives with outcomes being seen as evidence of impact. There was however a caveat with the acknowledgment that these outcomes could be deemed insufficient if seen exclusively within the operational mission context.

The concept of sustainable impact, linked to the ability to create scale, emerged as one of the most important elements in measuring social impact. The data highlighted the importance of achieving a level of balance between breadth and depth of impact, with the argument being made that over engineering and tailoring a project to meet a specific need in a specific environment might impact the scalability of that intervention and that a more generalised approach could have greater applicability in other contexts. In addition, the ability to understand and gauge the secondary or ripple effects of impact was also raised and this linked to the suggestion of incorporating broader measurement approaches over a longer time frame, such as a longitudinal study, in order to take these secondary effects of impact into account.

6.4. Research Question 3

What are the challenges associated with social impact measurement?

The ethereal and intangible nature of social impact leads to various challenges in terms of implementation. The lack of an agreed upon and standardised methodology, coupled with the wide array of methods and approaches to social impact measurement presents various difficulties to assessing the social impact of a social enterprise, particularly in the context of a comparative measure between different social enterprises (Perrini, Costanzo & Karatas-Ozkan, 2021).

6.4.1. Measurement Barriers

Social performance is considered very difficult to predicate and predict due to its multifaceted and complex nature (Wry & Haugh, 2018). The data concurred with this perspective with a clear challenge that emerged in the form of complexity of impact measurement, both from a measurement and a reporting point of view. This led to

respondents having to simplify their approaches through resorting to focusing on certain indicators as a proxy for measurement or in some cases, having to extrapolate from other areas in order to get a sense of what the impact could be.

An additional barrier that was raised pertained to the concern of measurement activities taking away from the overall efficacy of the intervention. In other words, the level of requirements for measurement and reporting or monitoring and evaluation (M&E) being prioritised over achieving the social objectives of the project.

The literature highlights a similar perspective suggesting that the focus of having to meet specific donor expectations in terms of reporting could have drawn heavily on key resources that were integral to service delivery in pursuit of the social mission (Ebrahim & Rangan, 2014). Additionally, the lack of clarity around the selection of an acceptable measure in the pursuit of social impact played a role in dissuading entities from embarking on the measurement process itself (Perrini, Costanzo & Karatas-Ozkan, 2021).

6.4.2. Measurement Constraints

The measurement constraints identified within the data were identified in the context of measurement limitation on account of a lack of critical resources. The predominant concerns ranged from the high cost associated with social impact assessment, while other issues linked to issues of time constraints and a lack of suitable partners and skills.
The literature seems to align with these perspectives highlighting the fact performance measurement in the social enterprise sector could be limited due to the lack of available resources (Maas & Grieco, 2017). Indeed, time and cost concerns were also apparent in the reluctance of organisations to commit those resources on social impact measurement unless they were deemed a priority by potential investors (Millar and Hall, 2013).

6.4.3. Context

The contextual variation of impact and the various environments in which social enterprise operates has major implications for social impact measurement. The data indicates the influence of various factors, ranging from unique individual perspectives and environmentally specific factors that can influence how impact is assessed.

The literature highlights challenges around social impact measurement and contexts suggesting that the available metrics were not sufficiently developed to effectively

segment commercial and social value creation which needed to be viewed through the lens of the environmental context in which it had taken place (Kroeger and Weber, 2015). These contexts which ranged from history, culture, region and company size, would influence the nature of performance metrics and outcomes required by certain stakeholder groups (Jiao, 2020).

Context can also change in line with fluctuations in environmental factors which can effectively move the goal posts in terms of pre-defined objectives of a given project or social intervention. The shock of COVID-19 and the resultant impact provides a telling example of how expectations of social impact projects and the associated measures of success can be affected:

Another important and seemingly neglected challenge associated to different contexts relates again to the experience and the perspective of those individuals who are affected as a result of prosocial interventions. Often these interventions, at a practical level, did not account for the perspective of targeted beneficiaries in their attempts to address socio-economic issues (Thomsen, Muurlink, Best, Thomsen & Copeland, 2020). It was therefore important to understand the unexpected or inadvertent outcomes that arose as a result of pursuing a social mission (Wry & Haugh, 2018). Indeed, there have been calls for consideration of both beneficial and negative outcomes of socially driven activities to have been included in measurement mechanisms (Rawhouser, Cummings & Newbert, 2019).

The data supports this perspective highlighting the care that needs to be taken in designing outcome measures that take into account the nuances of the communities and societies in which the intervention is taking place. It was suggested that any intervention could lead to displacement as an unintended result of the impact.

6.4.4. Governance

Bureaucracy and regulatory issues were raised as challenges that needed to be overcome in order to effectively measure social impact. While there was a cognisance of their importance in terms of maintaining accountability within the sector, there were concerns raised around the potential of exploitation of processes in the form of ticking the proverbial boxes as opposed to ensuring that levels of standards are maintained.

The literature highlighted the importance of accountability with reference to transparency

and governance in appealing to the concerns of key stakeholders such as donors, clients and beneficiaries (Ebrahim & Rangan, 2014). It was suggested that accountability had particular relevance in the context of performance measurement and relationships with funders (Ormiston, 2019). However, social enterprises tend to conform to their own rules and regulations such as statutes and programme objectives (Liston-Heyes & Liu, 2021).

The data also linked accountability to governance around reporting. This highlighted a concern around the avoidance of impact assessment by certain parties to avoid being exposed in certain areas. Additional concerns were raised around “crippling” monitoring and evaluation departments which take away from the overall objectives of the social intervention.

6.4.5. Intangible Metrics

Experienced practitioners emphasise the challenges associated with developing an understanding of the concept of social impact, let alone the ability to measure it (Molecke & Pinkse, 2017). This perspective is supported by the data which highlights the difficulty in being able to quantify and effectively measure things that are intangible in nature such as the level of personal mastery or the impact of an idea.

The literature shares this perspective, emphasising the challenge of quantifying less tangible outcomes such as self-esteem or confidence which can be viewed subjectively (White, 2018). This highlighted the difficulty in assessing performance from a social perspective, particularly when contrasted to financial performance, which tended to be more quantifiable (Beisland, Djan, Merland & Randey, 2020).

While there is a clear distinction between quantitative and quantitative metrics, the data highlighted the importance of incorporating both sets of measures when conducting social impact assessment, but also stressed the difficulty in being able to account for and quantify the less tangible aspects associated with social impact.

6.4.6. Outcomes vs Impact

The data points to a clear distinction between outcomes and impact. Where the mistaken assumption in made that operational outcomes are the same as impact. One of the key challenges can be linked to reporting priorities and the tendency to focus on the anticipated material outcomes of a given project as opposed to the social objectives on

which the project was actually based.

This is in line with existing literature which also clearly distinguished between outcomes and impact and advises care to be taken around assumed causality between outputs and resultant impacts (Ebrahim & Rangan, 2014). This point is highlighted by the pervading ambiguity around the causal relationships between social enterprise projects and resultant impact (Molecke & Pinkse, 2017). The data addresses this particular concern through stressing the need for more robust outcome measures in order to derive statistically relevant results.

6.4.7. Stakeholder Alignment

The ability to navigate and manage a variety of stakeholder needs and expectations emerged as a major challenge in the data. The associated difficulties ranged from silo driven behaviour and lack of integrated approaches to having to create alignment between the varying priorities and managing potential discord that arises from potentially competing agendas.

Tate & Bals (2018) highlight the importance of social enterprises being able to manage multiple stakeholder expectations in order to achieve sustainability across the triple-bottom line. Indeed this need to meet multiple stakeholder needs across various sectors can also be linked to the importance of being seen as legitimate entities (Bolzani, Marabello & Honig, 2020). The danger however is that differing stakeholder agenda could lead to superficial work being done from a social mission perspective in the name of financial gains or alternatively an exclusive focus on social priorities and jeopardising future opportunities for funding (Jiao, 2020).

6.4.8. Research

There is ample evidence of a lack of information, (theoretical and practical) on the subject of social impact measurement. Chapter 1 referred to the concerning dearth of information on standardised social impact measures (Rawhouser, Cummings & Newbert, 2019). This point was also emphasised by Maas & Grieco (2017) stating that researchers highlighted a lack of information around the ability of social entrepreneurs to effectively create and measure social impact.). Indeed, much of the literature has been focussed on the definition of the concept of social impact leaving gaps in terms of the practicalities of the process of measurement and the execution thereof (Grieco, 2018).

This aligned with the data in the context of challenges and the recognition of need for additional research in the field of social impact measurement. This was linked to the importance of shifting academic focus to more socially relevant research and for additional formalisation of effective measurement methodologies through input from academic institutions. The need for additional research capacity was also addressed in the form of dedicated funds being allocated to research linking to the role of universities is utilising their resources in the pursuit and development of social impact research

6.4.9. Research Question 3 – Conclusion

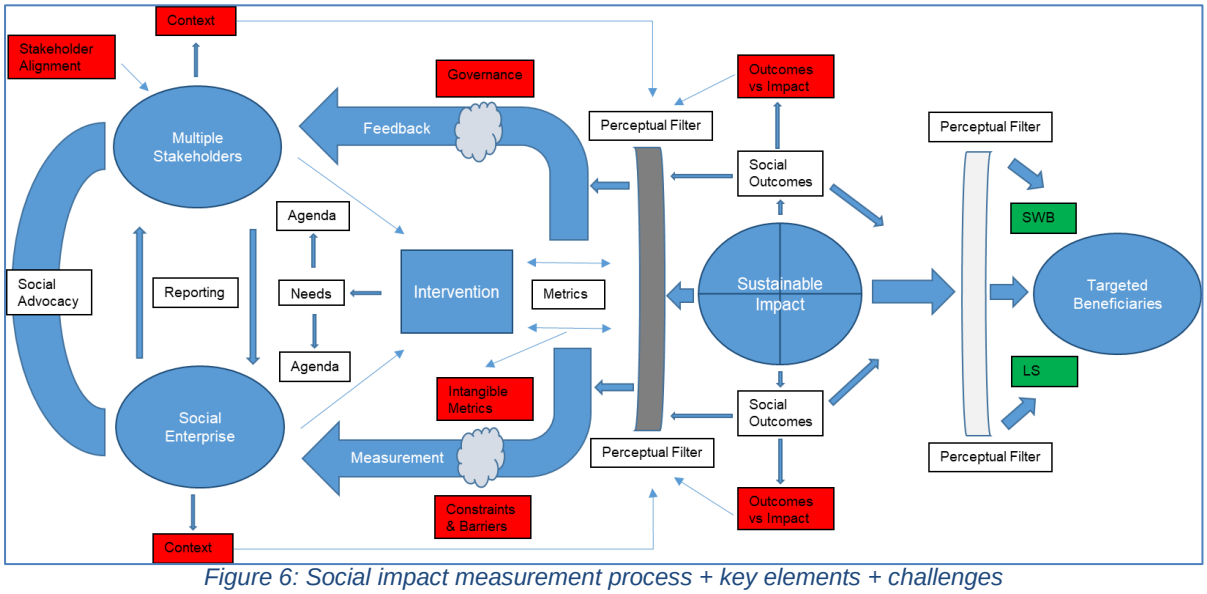

Figure 6: Social impact measurement process + key elements + challenges

There are a number of barriers associated with social impact measurement, the implementation of which is mired with difficulty and complexity. As a result of this and general limitations of existing measurement approaches, social enterprises tend to resort to the adopting of simplified proxies or extrapolation techniques in order to get a sense of the created impact. The lack of relevant and available resources represents a major constraint to impact measurement. High costs, time and a lack of necessary skills are some of the key resource constraints that SEs have to navigate in finding a balance between effective impact measurements and achieving social objectives

The subjectivity of social impact is caused by various micro and macro factors that inform the specific context in which it is measured and reported on. These wide ranging contexts,

which are dynamic by nature, can play a major role in influencing stakeholder groups' expectations in terms of performance metrics and outcomes. An area of context that requires more attention again relates to the perspective and experience of individuals who are impacted by social interventions. Certain individuals and groups could be inadvertently compromised or displaced as a result of an intervention and thus, both positive and negative impacts of an intervention need to be taken into account from an impact measurement perspective.

Governance, while representing an important means of holding social enterprise to account, also represents a hurdle to overcome from an impact measurement perspective. Crippling monitoring and evaluation departments and exploitable processes for process sake were linked to ensuring conformance and opposed to performance. A major concern linked to governance was the prospect of organisations avoiding measurement due to onerous regulations and the prospect of being exposed on account of mal performance. This could explain the propensity for social enterprises to conform to their own customised rules and regulations in the form of statutes or programme objectives.

The intangible nature of social impact makes it a very challenging thing to measure. This is linked to the difficulty in quantifying qualitative metrics such as personal mastery or assessing the level of impact of an idea. This could explain the tendency for measurement to be focused on things that can be measured, however it is clear any measurement that is divorced from qualitative metrics and insights could be considered somewhat hollow.

There appears to be a clear distinction made between operational outcomes and impact where a focus on material outcomes of a project can in fact take away from the impact of the objective. This aligns to previous concerns raised around reporting efforts taking away from the overall efficacy of the project. This distinction between outcomes and impact is also partly driven by a lack of clarity around the causal relationship between the two. Perhaps, as per the suggestion in the data, a more robust measurement approach may be able to produce statistically significant results in this vein.

Managing stakeholder relations and creating alignment across a myriad of needs, priorities and agendas was highlighted in both the data and the literature. It was evident in the data that the social enterprises were very cognisant of what their stakeholders were looking for and this had a telling effect in how the measured and reported on impact. This issue of alignment thus presents a major challenge to measurement, and particularly the

standardisation of a methodology, as highlighted in the context section above.

The lack of academic information on social impact measurement has been emphasised in the literature. While scholars and practitioners acknowledge its importance and relevance, it seems the only point of agreement around social impact measurement methodology is that there is no standardised methodology. This is particularly evident when it comes to comparative measurements of impact between different social enterprises. It thus stands to reason that there are calls for additional research and related resources as well as involvement from academic institutions to formalise the process and begin working towards an effective methodology for measuring social impact.

CHAPTER 7: PRINCIPE CONCLUSIONS

7.1. Introduction

This final chapter will present the key findings of the research study based on a review of existing literature in the second chapter and the results and associated analysis as per chapters five and six respectively. This will be followed by recommendations made to the social enterprise sector based on the key findings and takeaways from this particular study. The reader will then be alerted to potential limitations of the research. In closing, implications and recommendations for future research will be posed and discussed.

7.2. Principle Conclusions

This study was initiated to gain an understanding on how hybrid organisations measure social impact. The key objective was to build towards the development of a framework which would provide a generally accepted means for the measurement and comparison of social impact created across different social enterprises. The main findings of this study have been distilled into an integrated model:

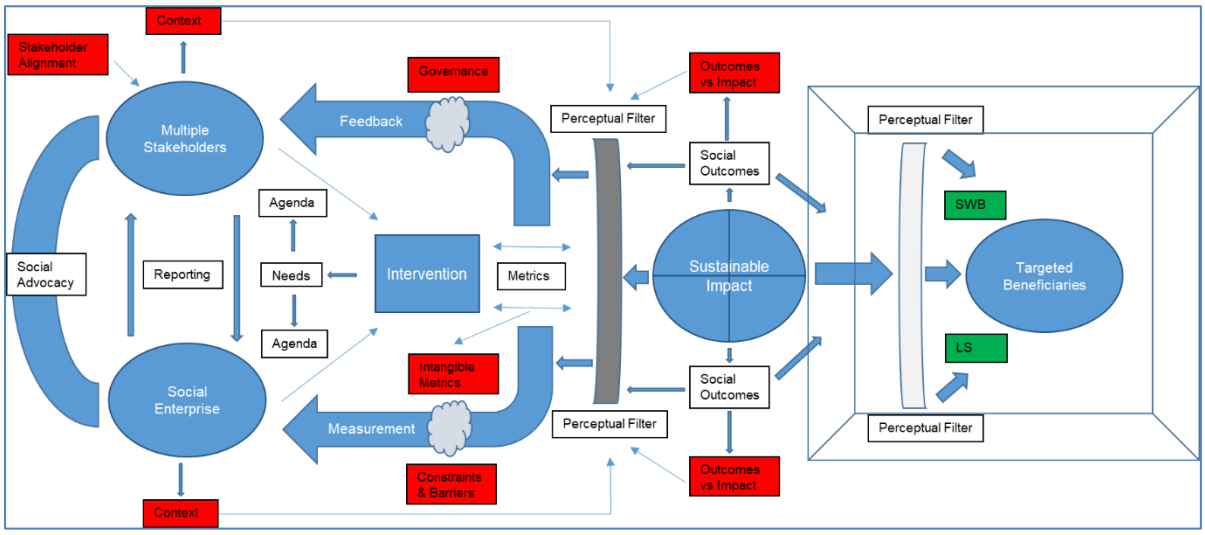

Figure 7: Social Impact Measurement – Integrated model

7.2.1. Key conclusions of research question 1

From a social enterprise perspective, social impact measurement is practically synonymous with reporting given the importance of this information to key stakeholders

on whom these organisations rely for essential resources. The various needs and expectations of the different stakeholders can impact strategic decision making with social enterprises and thus play a major role in influencing the social impact measurement strategy of a social enterprise.

Stakeholders and the SEs themselves have particular agendas that drive and influence their chosen impact measurement approach. The influence of donors is particularly pertinent on enterprises that rely on them, as such financial and quantifiable metrics tend to receive priority from a measurement perspective.

A variety of metrics and measurement methods are adopted in order to measure social impact. Qualitative insights are important as they relate to the experience of impact, both from a beneficiary and a stakeholder perspective, however there is a need for more sophistication in terms of measurement tools in order to address the ambiguity associated with social impact.

7.2.2. Key conclusions of research question 2

Positive social impact links to making a real difference in the quality of life of target beneficiaries. By prioritising impact measurement based on a beneficiary perspective, using metrics such as Subjective Wellbeing and Life Satisfaction, one could effectively account for changes in context and agenda towards a generalised measure of impact.

Addressing identified social needs links to the core purpose of social enterprise and requires agility given the fluid environments in which social enterprises operate. The contending perspectives on the role of social enterprise provide insight into challenges associated with legitimacy perceptions of social enterprises

An area with a lot of potential in terms of influence around how a social problem is framed and should be addressed. Could play a role in addressing social impact measurement issues such as causality and stakeholder alignment.

The measurability and immediacy of outcomes, make them very attractive in terms of evidence of impact. However, the link to purely operational mission objective is highlighted potential limitations in this metric.

Creating scale and sustainability in social impact is a key objective of social enterprise and one that requires balance. Sustainable impact also creates ripple or secondary effects which ideally require a longitudinal study in order to be accounted for.

7.2.3. Key conclusions of research question 3

The sheer difficulty and complexity associated social impact measurement hampers social enterprises to effectively measure their impact. In addition a lack of access to relevant and scarce resources limits the impact assessment capacity of these organisations.

Social impact and the measurement thereof is influenced by the context of the environment in which it takes place. The contextual reality of beneficiaries also needs to be accounted for as there can be inadvertent and unplanned impacts of a social intervention which could compromise the very beneficiaries that were supposed to be uplifted.

Governance and regulation is a double edged sword, on the one hand driving accountability in the sector and on the other, potentially taking away from the efficacy of social interventions. It can also discourage organisations from impact measuring activities for fear of exposure.

The intangible nature of social impact adds to the complexity of impact measurement and explains the tendency for organisations to focus on what is measurable.

The distinction between outcomes and impact has led to debate around the causal relationships between outcomes and impact. The immediacy of outcomes also links to difficulties in terms of the potential for abuse and exploitation of certain outcomes.

Managing a wide range of stakeholder needs and creating internal alignment represent major challenges in the execution and standardisation of social impact measurement.

7.3. Recommendations

The subjective nature of the term ‘social impact’ coupled with the contextual nature of social enterprise has given rise to plethora of measurement approaches and methodologies without consensus on best practise. While a number of existing approaches have shown promise in their application in certain conditions and settings, the fact remains that there is still no ‘silver bullet’ or standardised methodology for social impact measurement. This is particularly evident in the lack of a means to generate a comparative measure between different social enterprises. This is due the unique make

up of these organisations in attempting to address and solve for equally unique social issues within the environments that they operate.

Part of the challenge and complexity related to social impact measurement is the sheer number of stakeholders and interested parties whose agenda, expectations and needs can all have an influence on how impact is assessed and reported on. The social enterprises themselves also have a particular perspective on what they are trying to achieve in terms of specific social objectives and missions and how associated efforts should be measured. This proliferation of views and perspectives clouds the issue of social impact assessment and draws attention away from arguably, the most important stakeholders of all, the targeted beneficiaries.

Thus, as opposed to framing the issue of social impact from a myriad of different external perspectives and angles, this researcher encourages a shift in focus, to view and assess social impact through the lens of the beneficiary and in so doing, develop a measure that will be comparable across different interventions and contexts. The functional model of organisational effectiveness highlights two key metrics in determining the socioeconomic effectiveness of an organisation, namely subjective wellbeing (SWB) & Life Satisfaction (LS). Both metrics are assessed from a beneficiary's perspective and as such provide the building blocks towards a generic measure that could be applied across different social projects.

The suggested paradigm shift to a beneficiary focused perspective of social impact and measurement could also require a shift in how social issues and problems are currently viewed. By also framing these issues from a beneficiary perspective, contextual issues linked to inadvertent and negative impacts could be identified and accounted for prior to social interventions being put in place. In addition, by encouraging more active involvement in the impact measurement process by impacted individuals and communities, there is an increased likelihood of getting buy-in to the proposed intervention and the associated social objectives.

Social advocacy can be a powerful indicator of impact given the influence it can have across all stakeholders in aligning understanding around social objectives and the framing and addressing of social issues. The adoption of general metrics in terms of communication effectives and the associated social advocacy, around a given intervention, could be linked to the resultant impact and thus the address concerns relating

to the causal link between social outcomes and impact.

Finally, there is an opportunity and an appetite for more academic involvement in to order to bolster socially-orientated research efforts which could aid in the formalisation and standardisation of a social impact metric which could be universally applied.

7.4. Limitations

7.4.1. Existing Literature and data

Existing literature highlights a lack of empirical information on social impact measurement studies. The information that does exist is typically case study focused and as such, tends to be case specific which has implications in terms of its applicability across different contexts. From this perspective, this study has been based certain assumptions made on the strength of the available literature and collected data.

7.4.2. Limited sample size

The limited sample size of 12 respondents has implications in terms of the generalisability of the results and findings across the broader social enterprise sector. In addition, while care was taken to address a diverse group of social enterprises, 25% of the sample group operated in the eye care space, albeit in very different regions and markets.

7.4.3. Time Horizon

Given the time constraints, this cross-sectional study would not necessarily take the latent and secondary effects of impact into account.

7.5. Implications for future research

The shift in focus to a beneficiary perspective of social impact opens up some interesting avenues for further research. There could be value in delving further into understanding beneficiary-linked metrics such as Subjective Wellbeing and Life Satisfaction in working towards a generic measure that could be applied across different social projects.

In addition, the relationship between social advocacy and social impact bares further investigation and could provide interesting insights in terms of developing strategies to overcome social impact measurement challenges such as stakeholder alignment.

Further research into the causal relationships between social outcomes and social impact is also recommended given the lack of information and data in this particular area and the implications for developing social impact measurement metrics.

7.6. Closing Remarks

The importance of hybrid organisations is linked to the role that they play in addressing complex social issues and even grand challenges. The ability of social enterprise to create sustainable impact hinges on the capability to secure key resources that enable the pursuit of dual social and economic missions. The wide range of stakeholders, on whom these organisations rely, are increasingly interested in understanding how their resources are being used to achieve social objectives. This has led to increasing pressure on social enterprises to be able to demonstrate social impact.

A standardised methodology for social impact measurement is yet to be developed and agreed upon. This is due to a number of factors which influence how social impact is defined and how it should be measured. Any given metric needs to account for a wide range of agendas and priorities from a diverse group of stakeholders across an array of different environmental contexts. What's more, the prosocial interventions are also carried out by organisations which tend to be unique in nature, informed by the particular issue they set out to address.

There is however a point of convergence, that of working towards the accomplishment of a social goal. Making a tangible difference in the quality of life of targeted beneficiaries, arguably the most important stakeholder, one whose opinion should carry the most weight in the context of social impact. A shift in the focus on impact measurement through the lens of the beneficiaries would greatly simplify the problem of comparative measurement across different contexts. In approaching something as complex as social impact measurement, the simple solution could be the answer.

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9 APPENDICES

Appendix 1: Interview Guide

Sample questions are provided below:

Table 7: Interview Guide

Questions
What is your/your organisation's definition of social impact? • How does this relate to the mission/vision of the organisation?
Tell me about overall performance measurement in your organisation? • How would you typically assess the effectiveness of the organisation? • How would you typically assess the impact of the organisation?
In your opinion, how important is social impact measurement in your sector? • Would you consider it important in the context of your organisation? • How do you currently measure and/or report on social impact? • When assessing social impact, which elements would be more important to you and why? • What do you currently measure social impact against?
Tell me about the key challenges or barriers related to assessing social impact? • How have you managed to navigate these issues in terms of your own organisation's social impact measurement?

Appendix 2: Informed Consent Letter

To whom it may concern,

I am conducting research on social impact measurement in social enterprises to determine how it is measured, levels of adoption and challenges in implementation. I am currently a student at the University of Pretoria's Gordon Institute of Business Science and completing my research in partial fulfilment of an MBA.

The pre-scheduled, one-on-one ZOOM interview of approximately 60 minutes will be conducted by the researcher using a semi-structured interview guide. The recorded interview will be made available to the interviewee on request.

There are no financial benefits or rewards for your participation in this research.
Your participation is voluntary, and you can withdraw at any time without penalty.
All recorded media will be stored offline on a dedicated hard drive to ensure confidentiality and will be discarded upon completion of the research report. Relevant data will be reported without identifiers.
If you have any concerns, please contact my supervisor or me. Our details are provided below.

Researcher: Chris Martin
Email: 98189477@mygibs.co.za
Phone: 0794959220

Signatures: **Date:**

Participant: _____ _____

Researcher: _____ _____

Research Supervisor: _____ _____

Appendix 3: Ethical Clearance Approval Letter

Gordon Institute of Business Science
University of Pretoria

Ethical Clearance Approved

Dear Christopher Martin,

Please be advised that your application for Ethical Clearance has been approved.
You are therefore allowed to continue collecting your data.
We wish you everything of the best for the rest of the project.

Ethical Clearance Form

Kind Regards

This email has been sent from an unmonitored email account. If you have any comments or concerns, please contact the GIBS Research Admin team.

Masters Research

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