

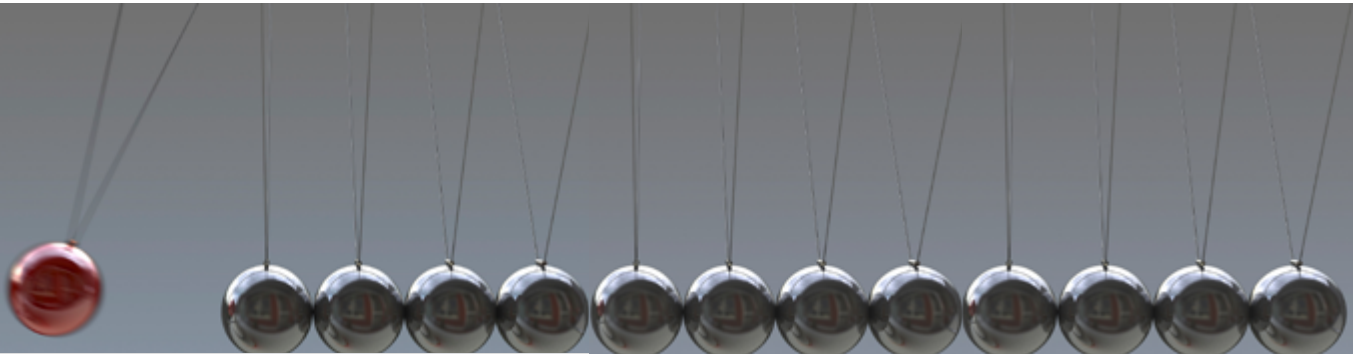


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CSI ADVISORY SERVICES | STUDY

Social Return on Investment (SROI): State-of-the-Art and Perspectives

A Meta-Analysis of practice in
Social Return on Investment (SROI) studies
published 2002-2012

This study was elaborated by
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Preface

'Social Return on Investment' (SROI) is the tool for social impact measurement that has received most attention in recent years and turned to be the one most widely applied by practitioners in civil society and social investment (understood as private contributions to the public good). Beyond that SROI studies are increasingly used to inform policy making. Politicians, especially in the UK, draw on the approach to assess what social projects are able to achieve by building on measurable social impact produced.

Despite this development, the field of SROI suffers from strong intransparency. How many SROI studies have been realized to date, on what kind of activity, where and by whom have they been executed? What kind of specific study designs, impact indicators and financial proxies have been used?

This intransparency goes in hand with a severe lack of academic research on the subject (Arvidson et al. 2010: 3f.). *Social impact assessment methodology* is a research field in an evolutionary stage. Arguably, SROI is just about to become "[...] a field of research and practice, a body of scholars and practitioners, a discourse and a community of practice [...]" (Vanclay & Esteves 2011: 5f.) – a development we have witnessed quite similarly in the closely related field of *environmental impact assessment* to which the quote relates. This meta study is meant to contribute to this development.

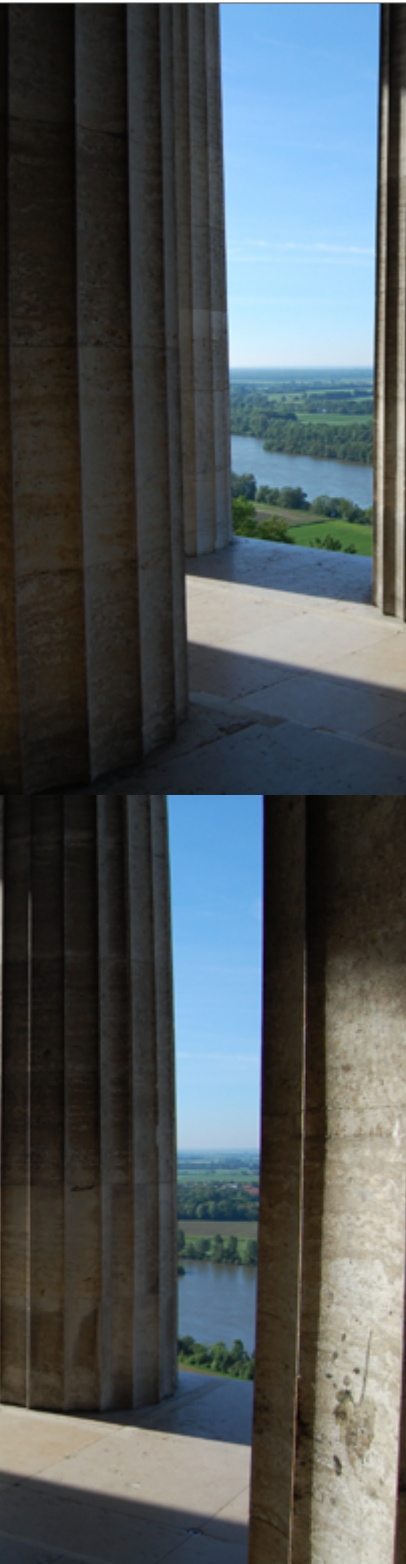
Our analysis of published SROI studies between 2000 and early 2012 focuses on three areas of SROI:

1. Initiators, analysts & analyzed organizations
2. Fields of application, target groups & indicators applied
3. Quality assessment.

We explore these three areas in order to shed light on two central questions. (I) Where did SROI emerge, which new fields has it spread to later on, and which transformations of the approach have taken place throughout increased practical application? (II) In how far have SROI studies succeeded in capturing the social impact of given activities or organizations in a sufficiently accurate and holistic way? What are the critical issues on the agenda for the future development of SROI?

Gorgi Krlev
Robert Münscher

Heidelberg, November 2013



Executive Summary

The ‘Social Return on Investment’ (SROI) approach has become one of the most widely discussed and most dispersed methods on the practical landscape of social impact measurement (see e.g. Olsen & Galimidi 2008: 14, 19ff.). Data from our meta-analysis clearly confirms this observation (cf. figure 1.)

SROI has first been put forth by ‘Roberts Enterprise Development Fund (REDF)’ in the USA (Emerson et al. 2000) and has then been developed further by the ‘new economics foundation (nef)’ in the UK. It includes three types of return:

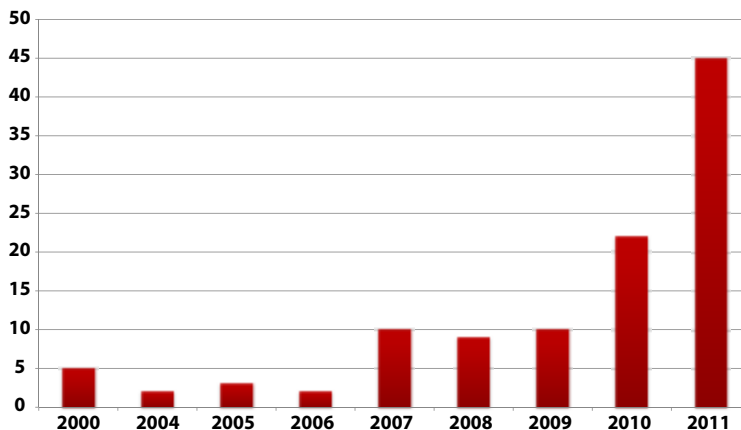


Fig. 1: Number of SROI studies published per year (114 in total)

■ **Economic returns** are all literally financial returns that a certain project or organization creates (e.g. the revenues a work integration organization produces through selling products on the market).

■ **Socio-economic returns** are savings of the state (society) realised through avoidance of public transfers (e.g. to jobless people) as well as the associated increase in personal income and tax revenues through consumption.

■ **Social returns** are less-tangible effects such as an increased sense of self-esteem and personal independence as well as the enhancement of knowledge and skill levels.

These dimensions are expressed in monetary, quantitative or qualitative terms. Although the latter aspects are a pivotal characteristic of SROI, monetization plays a very dominant role.

Despite the practical prominence of the method there is still a lot of ambiguity in terms of the practical scope and development of the method. Our study aims at closing this knowledge gap and at stimulating academic discourse around the subject both in terms of its application and its methodological advancement. The three building blocks and associated questions of the endeavor are the following:

1. Initiators, analysts and organizations

How has the application of SROI developed over time? Who are the main initiators? Who performs the analyses and which kinds of organizations are subjects of the analyses?

2. Fields of application, target groups, indicators

What are the main fields of application of SROI and where could it be extended to? Which indicator (groups) have been applied and thus which impact perspectives are already well developed and which are in need of further development?

3. Quality assessment

Which are the ‘critical’ aspects in the analysis in terms of validity, comprehensiveness and transparency? This includes the connection to things like the broader discourse of the concept, stakeholder involvement, the approximation of ‘dead-weight’ (what would have happened anyway?), the capturing of social effects and the degree of critical reflection with regard to the presented results.

In this study we explore these issues in order to map and systemize the broad range of practical applications of SROI. Our results shed light on a prospering field and might both help SROI practitioners improve as well as push forward the academically driven methodological development of SROI. Moreover, insights derived from our analysis may not only benefit the field of SROI but also other performance and impact measurement approaches more generally. There is a magnitude of distinct ‘tools and models’ that might benefit from this review and critique of the ‘state-of-the-art’ of SROI.

OUR RESULTS BOTH HELP TO IMPROVE PRACTICE AND TO ADVANCE METHODOLOGY

Insights from the study can thus be clustered into two building blocks: the advancement of *methodology (I)* and perspectives on the *practical application (II)*.

In terms of (I) methodology *monetization*, as a distinct theme, should be challenged critically, since the urge for numbers seems to push analysts towards the application of very ‘adventurous’ pathways in the calculation of SROI ratios. This strategy will not help develop the rigor and objectivity of the method, but is likely to have adverse effects.

With regard to *indicators* we always have to keep in mind that these should integrate of two separate dimensions: quantity (for how many people do things change?) and quality (in how far exactly do things change for them?). The second aspect is often neglected, supposedly because it requires a considerable degree of additional resources to be captured. Without it, however, analysts cannot claim to measure genuine impact.

The issue in terms of *financial proxies* is that we are in urgent need of standardized data bases. To date there is a rather high degree of imprecision and ambiguity in the application and the description of financial proxies. If we ever want to move

towards comparable impact assessments, we will have to agree on which standard figures to use where applicable.

The most underdeveloped area, however, seems to be the capturing of the ‘*social element*’. Rather than a genuine source of impact it appears to be treated as a residual category that lacks definitional criteria as well as quantitative and qualitative means of measurement and is negatively affected by the urge of monetization. Differentiating the category further into a social dimension (in the sense of a network building/community), a political dimension (e.g. advocacy) and a cultural dimension (e.g. attitudes and values) might be a good anchor for realizing this differentiation.

With regard to (II) the practical application of findings we suggest two main things:

There is still a lot of scope for making use of SROI in the *private commercial* and the *public sphere*. These seem quite ‘immune’ towards the application of the method. This affects for instance the area of Corporate Social Responsibility (CSR) and Base-of-the-Pyramid (BoP) business as much as the exploration of the effectiveness of public programs in the wake of ‘New Public Management’.

Surprisingly though the state seems active in fostering and funding the application of SROI in the nonprofit sphere, which further drives the argument of making social impact measurement an *inherent component of funding arrangements*. This gains importance upon the emergence of new financial instruments such as Social Impact Bonds. This finance instrument rewards private investors that undertake social projects in case pre-defined levels of success have been reached. Tools like SROI could play a major role in such arrangements.

These statements are glimpses of the implications that can be derived from the extensive empirical analysis performed. A lot more perspectives and details are being illustrated throughout the study. Furthermore, it has to be stated that the articulated recommendations derive their meaning from the context in which they occur. Thus, we strongly encourage you to explore the entire study.

The Field of Social Impact Assessment

How to gain Overview on the Variety of Approaches for Assessing Social Impact?



Photo: Katzensteiner/pixelio

1 The Economic and the Social

Impact assessment in the social sphere is no traditional field, but rather a current trend and a phenomenon in its infancy. For long there seems to have been a dismissive attitude towards ‘impact oriented thinking’ in the Third Sector and neighboring fields.

Of late, there is a tendency of transferring economic principles and rationales to organizations and projects with primarily social objectives. Not least is our centre, the Centre for Social Investment one result of this trend. The name giving feature of ‘Social Investment’ lends itself perfectly to illustrate this issue. We understand social investments as private, voluntary contributions to the ‘public good’. These do thus comprise volunteer time as well as the investment of money or tangible and intangible goods (like knowledge and expertise). Thereby CSI ascends from the prevailing focus on sectors and associated standard practices and moves towards a ‘benefit’ oriented perspective.

The issues to be explored are no longer ‘which field does this initiative come from’ or ‘how can it be classified’ but ‘which benefit does this initiative yield for society’? In order to answer this question we are in need of developing our understanding and in particular establishing models to capture impact. What has emerged on this breeding ground is a large variety of practical models and tools worldwide. These vary in terms of their degree of elaboration and applicability. In general there is a lot of remaining ambiguity with regard to approaches in use.

This comes in hand with the fact that the subject has only recently entered the academic discussion. The latter still lags considerably behind the dynamic practical development of the field. This meta-analysis of SROI is a first step to more closely intertwine the practical application and the (critical) academic discussion of the tool.

The traditional gap between economic and social impact

Methodologically speaking capturing impact in the social arena tends to be more complex than in the commercial sphere (see Mildemberger et al. 2012).

CAPTURING IMPACT IN THE SOCIAL ARENA TENDS TO BE MORE COMPLEX THAN IN THE COMMERCIAL SPHERE

This is due to several circumstances:

First, there is the challenge of attribution. Since, effects in the complex system are not easily isolated, there will always be a remaining degree of ambiguity in terms of assessing what or who exactly triggered impacts.

Second, there is the challenge of soft outcomes, which are extremely hard to capture. These include ‘fluffy’ variables like independence, self-esteem or subjective well-being.

Third, there is a huge variety of interventions and organization types, which increase the difficulty of developing universal tools and models.

Finally, economic principles are often regarded as unfit in the context of social projects. One element in this is the prevailing attitude that donations or any form of voluntary contributions should be accepted gladly without making them subject to measurement in terms of which impacts they produce. Another drawback is a general tension between perceptions in the two areas, which

already becomes evident with regard to terminology. Nicholls (2009a: 757f.) in fact illustratively points out that social performance and impact-directed accounting has rather affected the commercial sphere than reporting practices or strategies of charities and nonprofits.

The animosity towards impact measurement tools in the social sphere is certainly higher in certain countries than in others. With regard to the general stance towards impact measurement there are indeed two rather opposed traditions.

On the one hand, we have the Anglo-American world where we find a low degree of hesitation when it comes to applying performance and impact oriented tools in the social sphere. This becomes evident, for instance, in the discourse surrounding “social entrepreneurship” in these countries where we find a lower ideological divide between economic (‘for-profit’) and charitable (‘non-profit’) approaches (Krlev 2012: 68), which among other things leads to a prominent emphasis on earned-income strategies.

On the other hand, there is continental Europe where we find much more hesitation in applying criteria of efficiency and effectiveness to social projects (Mildenberger & Münscher 2009; Bergmann & Krüger 2010: 138).

With regard to our analysis of SROI studies we therefore expected different emphases in studies originating from either the Anglo-Saxon world or continental Europe from the outset.

Reasons for the momentum in social impact assessment

How do we measure what benefit organizations create and deliver for society? This question gains prominence across all projects that aim at providing ‘social wealth’ (Zahra et al. 2009). The issue of social impact assessment thus affects a variety of established and emerging research fields: Philanthropy, the Third Sector, social entrepreneurship or (strategic) Corporate Social Responsibility (Porter & Kramer 2006, 2011).¹

¹ When it comes to delivering social value to society, this of course includes the ecological dimension. In order to increase readability only the term ‘social’ is going to be used throughout the report.

Two factors drive this development: a higher demand for accountability (Kearns 1994; Young et al. 1996; Nicholls 2009b), and a need for higher effectiveness of investments in the face of limited public resources (Murray et al. 2010: 3f; Weisbrod 1998; Defourny 2004: 1).

Increasing competition of nonprofits for funding both in the form of donations and with regard to public budgets plays a prominent role in this. So do scandals that increase sensitivity of the broad public as to the use of financial resources. Furthermore, the pace of current societal change forces organizations, in the commercial as well as the social sphere, to enhance their flexibility and increase their innovativeness. For achieving this, it is ever more important for organizations to understand where their distinct capabilities and their potential for creating value and impact lie.

At the same time ‘social investors’ (ranging from financiers to volunteers) want to know which impact their contribution yields. This trend does not least affect the state as main funder of social projects, who is literally urged by rationales of ‘New Public Management’ to strive for choosing the ‘best’ investments. Finally, a similar trend towards ‘professionalization’ in the traditional Third Sector underscores the very same rationale. However, currently the impact debate on social impact measurement remains most closely related to the discourse surrounding social entrepreneurship (Nicholls 2007) as a perceptibly new means to cure social ills.

SROI – Why and to whom does it matter?

1. Investor perspective:

SROI helps (philanthropic) investors to allocate their funds.

2. Strategy perspective:

SROI helps organizations to make adaptations to social value creation processes.

3. Policy perspective:

SROI helps policy makers to control social value creation.

2 A Wide Range of Tools and Classifications

Practitioner 'tools' for social impact assessment: a blossoming field

In contrast to the current trend the idea behind social impact measurement has a rather long tradition dating back to the emergence of (social) 'cost-benefit analyses' (CBA) in the 1970s (Eckstein 1971; Drèze & Stern 1985). CBA is mainly rooted in environmental, health and welfare economics (Layard & Glaister 1994). It aims at comparing all societal costs and benefits an initiative produces in monetary terms. Thus, it comes along with an emphasis of directly and indirectly attributable effects, including positive and negative externalities. CBAs are usually performed in an aggregated format, which means that they deliver generalized statements (e.g. for the whole field of drug prevention) and don't derive these from organizational cases, but rather from available macro data (Aide et al. 2010).

In spite of the illustrated dispute with regard to the perceptual gap between social criteria and the aspect of measurement there has been a dynamic development lately opening the gates for performance assessment in the social arena. Comparative studies show that in practice a large variety of social impact and performance measurement tools are in use (Maas 2009; Tuan 2008).

In addition to the variety of elements for capturing social value (costs vs. benefits; stated vs. revealed preferences; or quality of life vs. life satisfaction) (Mulgan 2010), there is indeed a huge variety of methods for social impact or performance measurement (Paton 2003). The reason for this lies not primarily in the fact that approaches differ significantly from each other, but rather that almost each major 'social investor' (meaning financial investor) or 'venture philanthropy' organization have tended to develop their own tool (Maas 2009: 41ff; Olsen & Galimidi 2008).

This trend goes in parallel to proposals from the academic world that have called for enhanced methods of 'social accounting' (Richmond et al. 2003; Mook & Quarter 2006). Despite the broad scope of fields where social impact measurement would potentially play a role, a large discrepancy between fields of application remains. Zappala and Lyons commenting on the scene from an Australian perspective, e.g., underscore that performance management in the classical sense (meaning cost-benefit analysis) is fairly advanced in health care, while other fields are far less developed (2009: 4f.).

Categorizations of existing approaches

Prior comparative analyses (Mildenberger et al. 2012) have shown that the focus of approaches that set out to measure impact, indeed lies more in assessing organizational characteristics as a proxy for impact potential rather than in capturing genuine social impact. The available tools and methods most often focus on three generic areas:

1. Organizational capacity assessment (e.g. NPO Balanced Scorecard)

By making use of principles from the commercial sphere these approaches try to capture organizational capacities in a number of dimensions that are supposed to enhance impact (including e.g. the dimension of organizational learning).

2. Stakeholder analysis (e.g. Outcome Mapping)

These approaches try to make sense of their impacts by surveying stakeholder groups. While this is a shared fundamental element with SROI, the exploration of opinions and stakeholder feedback alone is often not sufficient for pinning down concrete impacts.

3. Sustainability ratings (e.g. oekom Corp. Resp. Rating or SAM-rating)

These approaches focus on the issue of sustainability and thereby often emphasize the ecological perspective. Thereby they usually target the aggregate organizational or field level and assess organizational performance against pre-defined items to enable a comparative rating. Their logic is less applicable to the project or division level.

MANY APPROACHES FOCUS ON ORGANIZATIONAL CHARACTERISTICS NOT ON SOCIAL IMPACT

Compared to these approaches tools that assess actual impact are most weakly developed while most urgently needed. ‘Social Return on Investment’ (SROI) falls into this last category. Another one is Acumen’s ‘Best Alternative Charitable Option’ (BACO). Acumen as a ‘philanthropic investor’ uses this tool to pragmatically assess the difference in impact of the initiative to be decided upon and its best existing or hypothetical alternative. It thus approximates impact in a ‘better than’ format between two given interventions. The best alternative thereby serves as the benchmark. Despite the explicit focus on impact it does however not explore particular impact dimensions in a systematic way. SROI (Emerson et al. 2000) in

contrast does so and therefore probably represents the most genuine social impact measurement tool.

There are of course other ways of categorizing the existing landscape of measurement tools. In addition to the subject of analysis (i.e., organizational capacity, mapping of outcomes, sustainability indicators and impact) that can directly be linked to one of the approaches just discussed, it is useful to know about the target, the purpose, the time horizon and the perspective of the individual approach. Clark et al. (2004: 8) propose the following differentiation: While process methods are mainly meant for the monitoring and development of internal processes, monetization methods attempt to assign monetary values to outcomes or impacts and impact methods in turn try to capture the broader effects of interventions. All three are treated to be mutually reinforcing, nonetheless they have often developed past or parallel to each other. Maas (2009: 58f.) distinguishes further three types of purpose (monitoring, reporting, evaluation), two time horizons (retrospective vs. prospective) and three perspectives with regard to the level of investigation (the micro level of the individual, the meso level of the organization and the macro level of society). Although this is not reflected in Maas’ assessment, our empirical analysis will show that current SROI studies attempt to serve well on the majority of these aspects.

As mentioned earlier SROI tries to capture financial, socio-economic and social returns through means of monetization, quantification or qualitative description. In this analysis there is a strong

Comparison of measurement tools											
Method	Target			Purpose			Time horizon		Perspective		
	Process	Monetization	Impact	Monitoring	Reporting	Evaluation	Retrospective	Prospective	Micro	Meso	Macro
Balanced Scorecard	X			X	X		X			X	
Outcome Mapping	X					X	X		X	X	
SAM Rating					X	X	X			X	X
SROI	X	X	X	(X)	X	X	X	X	X	X	(X)

Tab. 1:
Comparison of measurement tools
(Based on Clark et al. 2004; Maas 2009)

emphasis on evaluation and the inclusion of information that stems from the latter into reporting practices. But this information can also be used in the context of monitoring. What is more SROI can be applied in both a retro- and a prospective way. Through the inclusion of stakeholders it pays respect to the individual level but also aggregates effects to the organizational level. Due to the problem of attribution in tracing broader social change, however, it has to stop short at that and cannot fully address the macro level (in particular due to missing standardization).

The assessment of SROI against these categories and against the dominant aspects in other types of measurement tools is summarized in the table above. It underlines why SROI has become one of the most prominent methods (Olsen & Galimidi 2008: 14, 19ff.) applied by a growing number of analysts and practitioners. This is illustrated by the formation of associations dedicated to the subject like the SROI Network (<http://www.thesroi-network.org/>) or targeted government programs to develop the method further (The Scottish Government 2010). Whether its application can however really deliver to its prospects yet, remains doubtful as our results will show. But let us first dive deeper into some new conceptual particularities in impact measurement.

New conceptual constructs in social impact measurement

One of the most critical parts in SROI, methodologically speaking, is the quantitative and especially the monetary capturing of impact. What do you do to estimate what a certain item is 'worth', if there is no market price for it? Although this has been criticized by welfare economists (Stiglitz et al. 2009: 154), applying individuals' 'willingness-to-pay' (Fujiwara 2011) is a possible pathway. Exploring stated or revealed preferences of people in terms of what they would be ready to pay for a certain 'good' is e.g. used as a proxy for improved health status. In SROI there is a tendency of doing exactly this. New practical tools like the 'value game' (<http://www.valuegame.org/index.php/whatis>) have operationalized the idea: individuals can rank the variable for which no market-price is available in comparison to a range of purchasable items according to their preferences. This results

in an approximate price for that variable which lies between the one for the cheaper and the more expensive good in the ranking. Another strategy is to use 'well-being' from life-satisfaction surveys as an 'exchange currency'. They assign monetary values to a social item that would increase well-being to the same amount as an increase in income (Fujiwara & Campbell 2011; Dolan et al. 2011). Both approaches treat individuals as rational utility maximizers (Fujiwara 2011: 7), which is a critical issue. Just as SROI allows for, it might be more reasonable to find standard ways of expressing certain aspects in a quantitative or qualitative way rather than forcefully pushing for monetization as some practitioners have already advocated for (Gair 2009: 11ff.).

Biases and Shortcomings

In summary we find a considerable number of shortcomings in the current landscape of impact measurement. First and despite all attempts of categorization there is a huge degree of intransparency in terms of which tools are available and especially by whom and where they are being applied. Depending on the tradition of the field, nonprofits, development agencies and CSR projects might be assessed in a specific way. Mapping the entire area however is hardly not only because the landscape is so scattered, but in particular because the field is developing so dynamically. Ever more tools pop-up without a profound picture of where common methodological limitations and associated needs for development lie. As related to this, widely agreed standard guidelines are missing. This lack of benchmarks seems to be perpetuated by the reluctance of players to pool resources for developing such standards. As a result there are many 'quick and dirty' approaches that lack methodological soundness, which might prevent the field from acquiring legitimacy.

The aspect of legitimacy is a vital one, because most initiatives that are analyzed for their social impacts are supposed to contribute to enhancing the 'public good'. However, to date none of the available tools sufficiently pays respect to the principle of societal legitimacy formation as a fundamental prerequisite for any social impact analysis to affect societal perception and social investment decisions.

The Social Return on Investment Approach

What constitutes the "Social" Return of an Investment?



1 The Classic SROI Model: Economic, Socio-Economic, and Social Benefits

The ‘Social Return on Investment’ approach (SROI) helps to determine the ‘social value’ generated by an activity or organization. Typically, there is a “social investor” like a foundation, a public institution or a company engaging in Corporate Social Responsibility (CSR). The SROI approach treats the activities of such institutions as ‘social investments’ and portrays their positive effects in terms of a ‘social return’.

SROI was developed in 1996 by REDF (the Roberts Enterprise Development Fund), a US-based foundation that gives long-term grants to social integration enterprises in the Bay Area.

Being an entrepreneur with a Private Equity background, REDF funder George R. Roberts asked for success or performance measures. This led to the development of the SROI methodology, which was pioneered by REDF CEO J. Emerson.

The British “new economics foundation” developed an enhanced version of the approach in 2003 which was meant to make the concept easier to adapt by other organizations interested in impact measurement.

CSI has been using the SROI methodology and working on its development, jointly with Jed Emerson, since 2006. We present the CSI approach to Social Return on Investment in the following section.

SOCIAL VALUE CREATION IS HARD TO TRACK - SROI MAKES IT VISIBLE

In principle, the SROI method can portray the relation between a ‘social investment’ and its social benefits by translating certain aspects of social value into financial values, which result in an SROI coefficient. This monetary component is complemented by an alternative quantitative and qualitative capturing of softer ‘social’ returns. SROI thereby takes into account three important rationales:



Photo: Rainer Sturm/pixelio



Photo: Angelika Walter/ pixelio

1. Monetizable value creation: economic and socio-economic value

Actually, some aspects of social value can rather easily be translated into financial values. This is the case, for example, for so-called 'socio-economic value': If a public benefit organisation or project has a direct effect on the payment of governmental social transfers, then this effect can be calculated in monetary terms – and, as in a classical investment analysis, can easily be set in relation to the cost the activity produces, yielding a coefficient.

E.g. think of a job integration enterprise which gets unemployed youth into jobs. Instead of receiving unemployment aid they then pay taxes and social insurance.

2. Non-monetizable value creation: social value

Other aspects of social value just cannot be monetised. SROI accounts for that by completing the SROI coefficient with additional information on social effects, using both quantitative and qualitative methods from social science.

E.g. the non-monetizable effects of our job integration programme might involve improvements in self-assurance of the now-employed youth.

3. Value is primarily created for society, not for the investor

A third important insight into social investments is that they create value for different stakeholder groups. The investor might be among them but usually is not the main beneficiary. Thus, the SROI method not only looks for returns generated for the investor, but usually focuses on what social value has been created for other stakeholder groups, including society as a whole.

2 Fields of SROI Application and the CSI Approach to SROI Analysis

The classic SROI approach has been built around REDF's focus on organisations which try to get people into jobs (job integration). REDF thus suggested ways to monetize the economic and socio-economic value of such social purpose enterprises, as well as a data gathering and tracking system that helps calculating the corresponding social cost savings.

REDF realized that the effects of certain programs affect social transfer payments, so that their effects can be allocated with cost savings and/or revenues for the public sector. This provides us with a trigger to monetize social value creation.

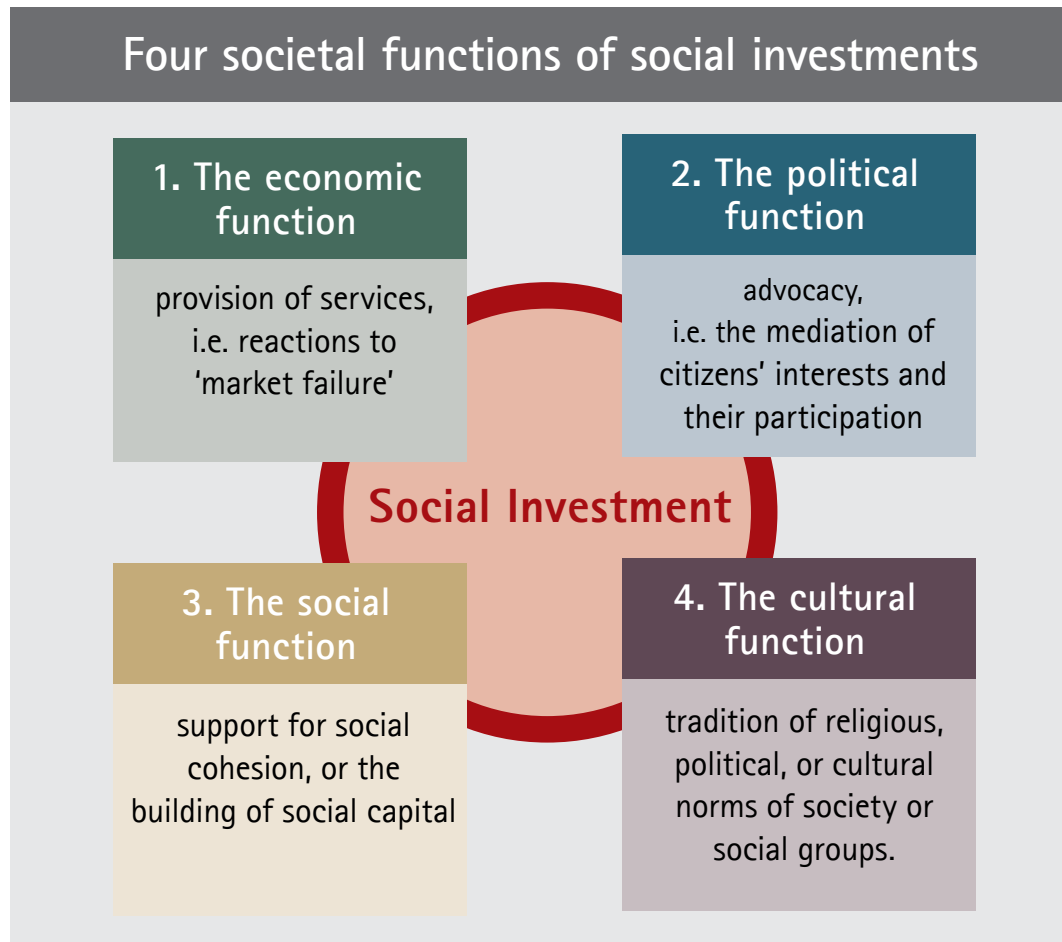
CSI follows the basic philosophy to take an investment perspective on social or philanthropic activities or public welfare. But we suggest adopting

SROI NEEDS TO STRESS GENUINE SOCIAL RETURNS

a broader perspective on social investment and social value creation. We argue that much more weight needs to be given to the genuine social returns – that in many cases might not be monetizable, or even not quantifiable at all.

*The Centre for
Social Investment,
Heidelberg University,
Germany*





A broader perspective on social investment and social value creation

The actual range of social value creation realized by social or philanthropic investments is much broader than the perspective of classic SROI. We therefore propose to distinguish four functions of social or philanthropic investments (Then & Kehl 2012 a & b).

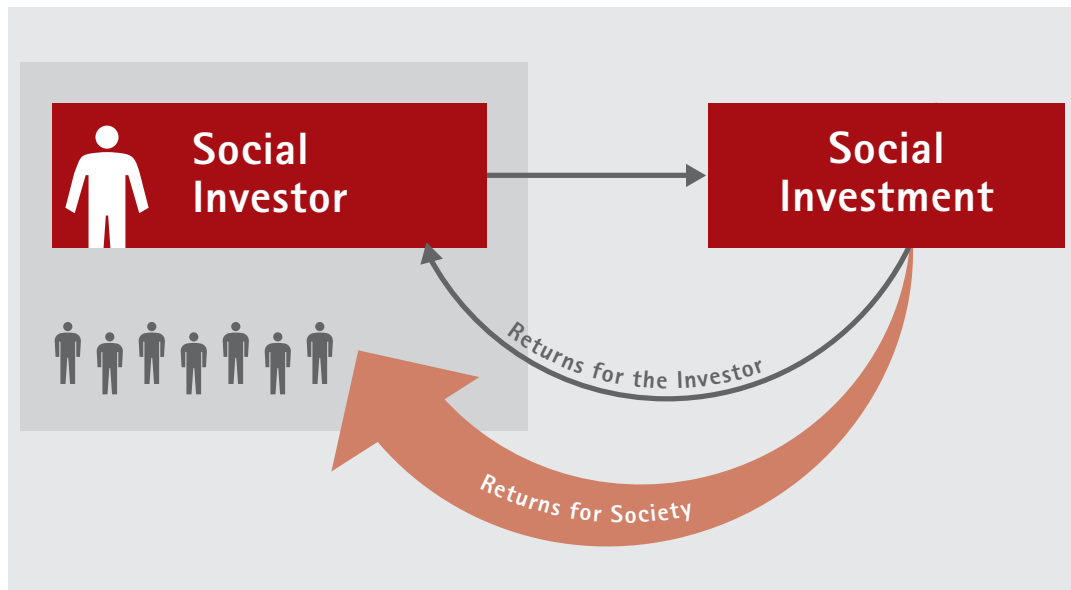
While a classic SROI tends to focus on the economic side (as underlined by our analysis), we suggest that the complete variety of positive social effects should be taken into account and given full attention when analyzing the social impact of a given activity, program or organization.

Taking this perspective means to check for all those functions of social value creation and, in a given analysis, focus on those functions that are most at issue in the project or social investment.

Methodological advancements

When adopting this broader perspective it becomes clear that the REDF methodology has potential for refinement:

- For example, in the 'SONG project' ('Soziales Neu Gestalten', meaning 'new ways of approaching social issues'), which focused at an assessment of multi-generation housing, we did not choose the *Return Ratio Approach* but substituted it by a *Cost Differential Approach*, realized by running a control group design (Netzwerk Soziales Neu Gestalten 2009, Kehl & Then 2013).
- In other cases it is advisable to compare the advantages of future projecting vs. past projecting approaches with longitudinal studies using multiple data collection points.



SROI takes social returns into account: the value-added for society (CSI Figure)

We are also working on the development of quantitative indicators in fields that formerly could only be addressed by qualitative approaches, for example in the field of quality of life. Considering the international use of the SROI methodology, it is obvious that for each project there is still the need to identify or develop tailored indicators. Standardization is still very much in its infancy. CSI is interested in promoting the development of more standardized indicators for SROI which would enable us to better compare results.

Practical use and advantages of SROI

The SROI approach represents a major step in the development of strategic problem-solving approaches in philanthropy. While the debate on strategy in philanthropy has been ongoing for years, it only makes sense to talk about strategy and impact measurement if we have a methodology which can actually account for social impact creation.

To sum up the advantages of the SROI method for foundations, organizations in the field of philanthropy and social purpose endeavors, we would like to point to the following four issues:

- SROI takes an investment perspective. It helps to make visible to what extent a given social investment creates impact. Often the social value created is actually bigger than the resources which have been invested. But if we do not look beyond purely

economic value creation, we might just not see that the ratio is bigger than 1.

- SROI thus delivers robust results that provide arguments for communication to boards, stakeholders and the public on how the organization actually creates impact. Moreover, these results internally inform management staff as for issues of strategic decision-making and project selection.

- Through the process of analysis, SROI also fosters organisational learning and gives insights into how daily activities relate to achieving social impact. Employees learn how their work helps to achieve social impact which, after all, is a strong motivational factor.

- Finally, the impact dimensions or objective indicators developed in the course of an SROI analysis might be used for project tracking on a regular basis helping the management to run their organisation effectively. An SROI analysis should therefore not be seen as a 'one-off'-exercise. Rather, it is part of an effort towards continuous improvement.

3 What is special about SROI?

Overview of the Academic Debate

Generally speaking SROI is based on a rationale choice logic (Zappala & Lyons 2009: 6f.) and therefore fundamentally linked to the concept of cost-benefit analysis (Rotheroe & Richards 2007: 34f.) as illustrated above. However, it attempts to make a more fine grained differentiation between facets of impact (Smith 2010: 106) and promotes the consideration of distinct social situations (Taylor & Bradbury-Jones 2011: 135).

At the same time there is a tendency to increase the scope of monetization across the dimensions. Whether this is beneficial to the aims of capturing social wealth creation accurately remains to be debated. Nonetheless, as Arvidson et al. (2010: 3) point out, SROI has received particular attention due to the dual nature of its promises: By extending the use of monetization as far as possible it follows the logic of financial markets and commercial investments.

Simultaneously the method puts exceptional emphasis on the social element that is qualitatively illustrated if impossible to express otherwise. Not least does this serve for putting the calculated ratio into perspective – a task that is fundamental in SROI analyses due to the subtlety of the elements to be captured. Thereby it tries to enable managers and investors to lever social and financial benefits simultaneously, while these are rather treated as trade-offs in classical cost-benefit analysis (Lingane & Olsen 2004: 119).

Another, rather distinct feature is the focus on stakeholder analysis and thereby a particularly holistic inclusion of all relevant facets of impact. This is driven by the development of a fairly clearly structured and standardized model approach to performing the analysis including a thorough mapping of inputs, outputs, impacts and the connections in between (illustrated in Nicholls et al. 2009).

In the context of social entrepreneurship, the SROI method is placed within a larger frame calling for an advancement of performance measurement tools and for a proof of the effects of organizations engaged in the field (Haugh 2005; Flockhart 2005; Allan 2005).

SROI HAS 4 KEY FEATURES:

1. MONETIZATION
 2. SOCIAL ELEMENTS
 3. STAKEHOLDER FOCUS
 4. INPUT-OUTCOME RELATION
-

In relation to this Loidl and Laskowski (2012) go further and argue that SROI might play a major role in the advancement of professions in the social sphere. Since the measurement of yielded effects is a central part in the definition of a profession, tools to enhance this might support the creation, stabilization and development of the latter. This reasoning might prove to be particularly important in the context of 'quasi-professions' like social work or a field like social entrepreneurship.

The authors however point out that the model might also be applied out of a purely 'strategic rationale' in the sense of illegitimately pushing for legitimacy by applying pseudo-proofs.

The more so is it crucial to examine how SROI is currently applied and where we see the necessity for standardization and methodological improvement in order to increase the quality of studies.

The following table summarizes the key components of the academic discussion around SROI.

Academic debate on SROI	
Basic assumption	Rational Choice
Adresses and purposes	<ul style="list-style-type: none"> • Executives (decision making function) • Social workers (profession building function) • Traget groups (service improvement function) • Funders (resourcing function) • Regulators (accountability function) • Society (legitimacy function)
Theoretical foundation	Cost benefit analysis, but <ul style="list-style-type: none"> • more multifaceted picture on impact • consideration of wider social circumstances
Underlying logic	Investment logic: determine returns Linking inputs to outcomes/impacts
Dual promise & resulting tensions	Monetization vs. capturing of softer social issues
Threats	Pseudo-proofs out of 'strategic rationale'

Tab. 2: Academic debate on SROI

Capturing the Field of SROI

Background, Sampling Process, and Methodology



Photo: Dagmar Zechel / pixelio

1

Background and Guiding Questions of the Analysis

The purpose of our meta-study is to shed light on two central overarching issues: the development of the usage of SROI and the quality of the studies, i.e. the question of to what extent SROI actually succeeds in capturing social impact.

1. SROI development

We assume today that SROI as a method for social impact assessment is most frequently applied by nonprofit organizations (cf. Zappala & Lyons 2009: 20).

However, this seems odd given the highlighted stress on monetization. Which tool could fit the requirements of the ‘triple-bottom line’ (Elkington 1998), social accounting (Gray et al. 1995; Gray 2002) and Corporate Social Responsibility (CSR) (Carroll 2008) better than SROI? Given the context of an increased blurring of boundaries in the wake of tendencies towards hybridization (Billis 2010; Anheier 2011), we should expect SROI to transfer to neighboring fields.

The same accounts for the application of SROI to projects of public agencies. What we also explored is the application of the method to fields of intervention. The method emerged in the area of work integration and is supposed to have remained focused there (Zappala & Lyons 2009: 20). The reason is quite obvious: Moving into employment is a rather hard indicator that can easily be proxied by increased income. However, since the tool sets out to capture social value creation holistically, it should have moved to fields beyond (including the ones mainly covered by the corporate sector). In terms of how the method developed it is finally vital to see how well actual impacts are conveyed into monetary, quantitative or qualitative measures in these (potential) new fields of application.

Two Issues of Interest:

1. Where did SROI come from, which fields did it move to and how has it been adapted throughout that course?
2. How well do SROI studies actually perform when it comes to capturing and illustrating social impact?

2. Quality of SROI studies

With regard to the roles performance measurement can take, there are divergent attitudes. Are these to enable funding decisions across or within fields of activity (Tuan 2008: 7)? With regard to the applicability of SROI across or within fields, leading practitioners agree that in its current state the tool should not even be used to compare two different organizations in one and the same field (Lingane & Olsen 2004; Nicholls et al. 2009; Social Ventures Australia 2012). One of the main reasons is that there is no agreed comprehensive database of indicators and financial proxies. Therefore it is of major importance to have a closer look both on the comprehensiveness (do the variables cover the range of different impacts?) and the validity (do they express what they are supposed to?) in existing studies. Although this can only serve as an indication, it might nevertheless be valuable for underlining key aspects in developing this issue.

In a nutshell, central to the aspect of quality will be the exploration of how well existing studies deliver on what is said to be their distinctive feature: the capturing of wider social effects and their accurate (quantitative and qualitative) display. Since SROI is a method that emerged from praxis rather than from research, a latent question will be how self-reflexively the process and results are dealt with.

2

Sampling: Building the Database of SROI-Studies

The sampling strategy has been twofold: An extensive web research has yielded a significant number of publicly available studies. In addition practitioner networks have been contacted in order to gain access to their pool of performed SROI analyses. This has resulted in a sample of 114 international SROI studies for analysis.

Our web search for studies has been conducted until February 2012. The main search terms we used were 'SROI', 'Social Return On Investment', 'Social Impact Measurement', 'SROI analysis/ study/ report', 'Social Impact analysis/ study/ report', 'Social benefit analysis/ study/ report', 'Social Value analysis/ study/ report', 'Social cost-benefit analysis/ study/ report'.

The main criterion for selecting among the studies we found in this search was the explicit state-

ment of the application of the SROI methodology or a procedure close to the 'standard assessment mode' (as illustrated in Nicholls et al. 2009), which means that a few reports that were not headed by the term SROI have still been included in the ana-

SROI AND RELATED SEARCH TERMS YIELD A HIGH NUMBER OF RESULTS

lysis. However, reports on 'sustainable return on investment', which is a distinct concept, or many rather evaluative studies in the context of development assistance or classical cost-benefit studies with a focus on macro-level (aggregate) data have been excluded.

In the second step, individual SROI practitioners have been approached during the international SROI Network conference February 16th 2012 in Potsdam. We are grateful to the practitioners who have given us access to their studies or hinted at sources where further studies could be found. Furthermore leading practitioner networks have been contacted as well as their websites thoroughly examined. These networks included e. g., REDF, nef, the European Venture Philanthropy Association, New Philanthropy Capital, SROI Canada, Social Impact Scotland, SROI Online, SROI Wordpress, Social Edge and SE Toolbelt.

Most valuable has been the collection of studies provided by the SROI Network. While we had already found a large part of those studies through the web search (which we took as an indicator of the comprehensiveness of our web search) there have still been some studies which had not been available publically and thereby extended our database.

Overview: Steps in Sampling

1. Web search (6 months, until February 2012)
Search terms: Ranging from 'SROI' to 'Social cost-benefit analysis'
2. Connection to SROI practitioners and key actors (nef, EVPA etc.) for acquiring further (confidential) studies
Setup of SROI CSI Website for this purpose
3. Double check and further acquisition of studies through SROI Network website
4. Filtering process
Criteria (relation to SROI principles), most prominently:
 - Stakeholder perspective
 - Focus on social effects

Finally, we contacted a high number of individuals and organizations directly to share their studies with us. We also provided a facility to upload studies (including ones for confidential treatment) through our website (<https://www.csi.uni-heidelberg.de/SROI/>). These channels yielded in several unpublished SROI studies that could be included in our analysis.

CONTACT TO PRACTITIONER NETWORKS WAS CRUCIAL IN BUILDING THE SAMPLE

Of course, this process has resulted in a collection of studies differing considerably in scope and style. We have decided to apply a comprehensive approach and to include rather short studies. The studies in our sample range from 6 pages to 90 pages. It was obvious that the short ones were often only summary reports. We used ‘full versions’ wherever available, but it seems that organizations often tend to only publish the ‘short version’ of their study. As long as those short versions conformed to the standards we had set for the analysis (which are going to be laid out in the next paragraph), we decided to include them.

Obviously we adapted our criteria to the scope and proportions at hand. For instance it is clear that a 6 page report cannot include an extensive explanation of what SROI is and how the study relates to the SROI methodology. However, in this case we would have expected references or links to websites that provide the reader with information on the approach.

The studies that CSI itself has performed have been excluded in order to avoid biased judgment and an associated distortion of the reliability of the analysis.

However, it has to be highlighted that the gathered sample contains a certain bias anyway. The bias results from the overrepresentation of certain SROI analysts in the sample, namely of those that have published a high number of studies. Some analyst organizations have performed up to ten studies included in the sample. Thus, there is a

certain imbalance in terms of the number of studies per analyst. Counter-intuitively though this did not result in a heavy upward or downward bias in the performed assessment. Indeed we found that there was significant variation in the quality of performed studies per analyst organization.

On the other hand it clearly has to be admitted that the gathered sample is biased partially anyway, due to an overrepresentation of certain SROI analysts which have been both very active and have published their studies. Some analyst organizations have performed up to about ten studies of the sample. Thus, there is a certain imbalance between analysts with few to only one study and the latter. However, one is far from right when expecting that all studies performed by one organization scored equally. There are indeed significant variations in the quality of performed studies per analyst organization, which relativizes this bias.

3 Methodology and Framework for Analysing Social Return on Investment Studies

Methodology

The sample of SROI studies has been structured along the following perspectives: (1) the time horizon; (2) the organizations; (3) the field of activity; (4) the quality of the study.

All 114 studies that we gathered have been analyzed and coded along the categories explained in the following paragraphs.

We used *Qualitative Data Analysis Software* (MaxQDA) for bridging qualitative and quantitative data analysis. Text passages in each study were marked and linked in the software to a coding system representing our categories of analysis. Based on this categorization we derived a quantitative rating, mostly with binary variables.

The quantitative data have eventually been analyzed by using SPSS. The discussion of results will be informed both by the quantitative analysis and qualitative examples.

Analysis of time horizon, organizations, and field of activity

In terms of the time horizon (1) we noted when the study had been performed or published respectively in order to trace the trend of applying SROI.

With regard to the organizational perspective (2) we emphasized the type of organization which was analyzed in the SROI study. Was it a public agency, a commercial business, a 'traditional' non-profit organization, a foundation or a social enterprise?

To answer this question we followed the self-description of the organizations given in the report. We did so for reasons of simplicity,

although we acknowledge the complexity and intersections of the different terms (cf. Krlev 2011a, 2013).

In addition, we explored where the studied organizations were located.

BACKGROUND QUESTIONS: THE WHEN, WHERE AND WHO OF SROI?

Further, we checked for the analyst: Who performed the analysis: a private consultancy, a public agency, an academic institution, or was the analysis an internal self-assessment?

Finally we investigated who initiated and/or financed the analysis: a private organization or a public agency?

After the coding of each study we classified it according to the field of activity of the analyzed organization (3). To do so, we grouped interventions along key types of activity. We decided not to use the International Classification of Non-profit Organizations (ICNPO, Salamon & Anheier 1992), which could have served as a potential anchor. One reason for this was that SROI studies in their approach usually do not focus on particular organizational types, but rather in terms of the activities performed.

The other reason for developing separate categories was the need to reflect similarities of interventions in terms of impact and associated indicators that would otherwise remain obscure. For example we therefore proposed the category of 'life coaching/assistance'. It reflects the similarities of e. g., a violence prevention programme (which would usually fall in the classic category of 'youth

work'), an intervention to assist people with mental health problems in organizing their life (typically 'rehabilitation for drug-addicted people'), and an organization counselling immigrant women in fleeing forced marriage (typically 'immigrant support'). Rather than separating these studies according to their target group, we stressed the similarity of interventions: All three examples share a general course of action, which is about building self-esteem and confidence, supporting personal independence and, to a certain degree safety and (mental) health.

To sum up, we took the type of intervention as the differentiating criterion, not its target group.

Quality analysis of the studies

The quality analysis (4) of the gathered set of SROI studies required more attention and has been performed on a far more detailed basis than the assessment of the other categories. It contained five dimensions:

- I. Transparency about why SROI was chosen
- II. Documentation of the analysis
- III. Study design (approximation of 'dead-weight')
- IV. Precision of the analysis
- V. Reflection of the results

I. Transparency about method applied

The first category refers to the explication of the applied approach. As our academic background discussion has shown, there is a magnitude of distinct tools and methods for social impact measurement (cf. section 1), which have different targets, purposes, time horizons and/or levels.

The question is whether the study is transparent in illustrating why (and how) the SROI approach was applied? Is there a clear reference to the specific approach or tool kit which was chosen and an explanation of why it has been utilized?

We checked whether the report openly stated and discussed the underlying approach, theory, and methodology and how the challenges of social impact measurement were addressed. Occasionally there were documents exclusively focused on

the performed analysis without any significant reflection on the chosen methodology – leaving the reader with no way to (critically) assess the adequacy of the chosen approach.

The category thus helped to assess whether there was some kind of relation between a theoretical or discourse background and the practical analysis. We judged whether the theoretical background was present to a 'low' or 'high' degree, or had not been present at all. We propose that an elaborate background section and embedding into the larger context is beneficial for the interpretability of the analysis and results.

II. Documentation of the analysis

The second dimension shifts away from the background perspective and looks at how extensively the analysis is documented. We distinguished two perspectives: One focused on the depth of the analysis, the other on its scope.

'Depth' for example refers to the degree of details that were given on the selection and inclusion of stakeholders. 'Scope' refers to the question of how broad a perspective the analysts actually took: Did they focus mainly on the organization? To what extent did they take the surrounding framework into account – e. g., did they ask for potential negative effects of the analyzed intervention? Both aspects have been combined into a binary variable of a 'high' or 'low' documentation of the analysis.

III. Study design / approximation of 'dead-weight'

The third lens is directed at the study design with a particular interest for the approximation of 'dead-weight'. This refers to a key challenge of any impact assessment. In order to assess the actual net impact an intervention, one has to subtract what would have happened anyway – the dead-weight. In other words: if you cannot be sure that your measured results would not have happened anyway, you cannot label them as your impact.

Of course, it is literally impossible to accurately capture dead-weight in complex socio-economic and socio-political settings. However, there are two ways to increase the validity of its assessment (Bortz & Döring 2002).

The social science ‘gold standard’ to establish causality is the use of a control group. You take the target group which benefits from the studied intervention and compare it to a control group – which differs from it only in that it is not affected by the intervention.

THE GOLD-STANDARD FOR CAUSALITY ARE CONTROL GROUPS, BUT THEY ARE RESOURCE INTENSIVE

The second-best way to assess dead-weight and approximate causality is to check for effects over time. You analyze the status quo before the intervention (*ex ante*) and then check for the situation thereafter (*ex post*). It is the second-best way, since it is hard to assure third variables remain constant for the time between the first and the second data collection.

In our analysis of the SROI studies, we modelled both the prevalence of control groups and the application of an *ex ante ex post* observation as binary variables.

IV. Precision of the analysis

Our fourth focus in quality assessment was the precision of the SROI analysis at hand. First, we checked for the availability of an impact map. An impact map visualises how the studied intervention aims to create impact, i.e. by which interventions which exact effects are claimed to be brought about. Such a ‘theory of change’ analysis is a core requirement for any serious SROI analysis, and it should come along with a basic visualisation of those causal connection (an impact map was either used or not used, i.e. binary variable).

Second, we rated whether the number of stakeholders included was comprehensive, especially in comparison with other studies in a similar field (binary variable).

A similar reasoning underlies our assessment of indicators and financial proxy variables used in

the studies, as for their validity and comprehensiveness.

The combination of objective reasoning and a cross-case comparison enabled us to rate whether the indicators and financial proxy variables seemed particularly fit or unfit for the analysis at hand. This rating process was additionally informed by the experience from our own SROI analyses, and from our knowledge of other SROI practitioners’ use of indicators (e. g., reflected on exchange platforms such as SROI Network’s emerging WikiVOIS database (<http://www.wikivois.org/>) or the financial proxy data base of SROI Canada (<http://www.sroi-canada.ca/financial-proxies/index.html>).

We assessed *precision of the analysis* on an ordinal scale ranging between ‘high – medium – low’. In the case of financial proxies we used the additional category of ‘no/insufficient explanation’, where seemingly adequate figures had been used but not specification been given as to their source or reference point.

Another crucial question in this context was the one about how well non-monetizable social effects were captured in a study. Have these been addressed at all and if so quantitatively or qualitatively, and has either been done rather to a ‘high’ or ‘low’ extent (binary variable)?

V. Reflection of the results

Fifth, and finally, we considered the interpretation of the study results provided in the study itself.

To do so, we first investigated whether the study included a ‘sensitivity analysis’ of the performed calculation, which is necessary to reckon its robustness and its reliability. Since the choice of variables and indicators and their respective weighting in the SROI calculation is far from being standardized, it is a sign of quality of an SROI study to inform on how the choice of variables and their weighting affect the results. An alternative way of demonstrating this is to indicate a range within which the actual SROI ratio is expected to lie.

Furthermore, we checked whether the studies included a section discussing or interpreting the

SROI ratio or the cost/social benefits coefficient. The inchoate state SROI is in for instance requires an embedding of the results into the specific field of intervention that has been studied (Mildenberger & Münscher 2009; Nicholls 2009a). In particular, the SROI ratio or coefficient needs to be critically assessed, since it typically only reflects part of the social value created. When deriving implications from SROI results, the entire analysis and its context should be taken into account. This goes beyond checking the mere robustness of performed calculations.

REFLECTING THE SROI RATIO IS VITAL FOR INTERPRETING RESULTS OF AN SROI STUDY

In addition, and closely linked to the last issue, we analyzed whether the study contained hints to the limitation of the studies. Resources to perform a study are usually not limitless and data access often turns out to be challenging if not impossible. High quality studies inform the reader about the limitations of the approach. All three ratings have been captured as binary variables with the additional option that the respective item was not been present at all.

Analysis of indicators used in SROI

We paid special attention to the use of indicators in the SROI studies, which are the vital element for the facets of impact analyzed in an SROI analysis. To date there is only a very blurred picture on the variety of indicators applied to express the effect an intervention has on a stakeholder (for instance tons of reduced waste production as one indicator for environmental protection).

This is of particular importance in view of the challenge of advancing standardization in SROI (building an agreed set of items to capture the caused impact for similar interventions).

Our goal therefore was to identify aggregated sets of indicators and to link these to the different types of intervention. We built categories that might give us insights on predominant impact perspectives. Thereby we are able to derive indica-

tions with regard to the question of which areas of social impact receive prominent attention and which ones might be neglected at present.

Originally we had also planned to assess the initially introduced categories of our analysis against quality criteria in a comparative way. However, there have been certain issues with this.

First, the aggregated measure of quality is only a rough indicator at best and using it for cross-case analysis across time, regional provenience of the studies or fields of application would have been unsound.

Second, with regard to the fields of application it will become clear in the following that these are very unevenly distributed, which would have further limited the explanatory power of such an analysis. We would need a far greater and more widely dispersed sample as well as agreed quality criteria in the sphere of SROI to perform such an analysis. However, as is usually the case in SROI analyses themselves, the fact that we can qualitatively judge the studies and are not solely dependent on quantitative data in our interpretation, the sample did still allow us to give some indications in this regard.

ANALYSING THE USE OF INDICATORS WAS CENTRAL IN THE META-ANALYSIS

All aspects and categories just explained theoretically will become more tangible through the empirical analysis, which we present in the following section. The last transitory step is to highlight that our analysis is not detached from the field of practice. It shall be outlined which commonalities there are with quality criteria of the biggest practitioner network at present, the SROI Network, but also where differences or additional perspectives are to be found.

Comparison to quality criteria of the SROI Network

It is important to stress that SROI practitioner groups may apply own quality criteria to the stud-

ies performed by their members. So does the probably most prominent one: the SROI Network.

The SROI Network lays a core emphasis on:

(1) the involvement of stakeholders; (2) the illustration of the theory of change; (3) the use of sound indicators and financial proxies; (4) the materiality of changes included in the analysis; (5) the avoidance of overclaiming; (6) the transparency of the analysis and (7) the verification of results through stakeholder communication.

It is becoming evident that there is a good deal of overlap between the criteria of the SROI Network and our own. The main difference however lies in the fact that the SROI Network assesses reports from a procedural dimension and supposedly on a single case basis with the main guiding question: Is the performed report responding to the needs, demands and particularities of the analyzed organization?

We instead tried to establish an inter-comparative, end-product oriented perspective, where for instance the degree of stakeholder communication performed during the process is neither tractable nor of primary interest. More interest lies in the embedding of the analysis in the broader discourse of impact measurement for instance.

Our analysis is furthermore academically influenced. Therefore we investigated for the application of control group setups and the establishment of cause-effect relationships (as far as real world setups permit), which might be assessed less relevant in the practical day-to-day application due to the connected effort of realizing this strategy of investigation.

SROI NETWORK QUALITY CRITERIA: COMPLEMENTARY BUT NOT IDENTICAL

Another difference lies in our emphasis on the qualitative and quantitative display of social effects that are explicitly non-monetizable. The same applies to the discussion of the limitations of the study as well as the (critical) interpretation of the SROI ratio beyond sensitivity analysis.

Why monetization is delicate and reflectiveness in SROI analyses crucial

As mentioned earlier there is a pretty divided picture about the importance of reflectiveness in SROI analyses, which directly affects the use and promotion of the SROI ratio. This is partly influenced by different welfare traditions. While the Anglo-Saxon SROI discourse is characterized by a focus on quantitative (financial) figures, we want to sensitize practitioners and academics for its limits on three accounts:

First, the dominance of this rationale might override the ambition of capturing the social change process properly (including political, cultural, personal or community processes).

Second, the urge for monetization may oversimplify the complexity of actions for the common good and impair their very essence - the genuine social effects.

Third, the display and promotion of a single figure implies objectivity that can under no circumstances be granted, in particular in view of the application of 'multiple exchange' currencies - meaning the transfer of a very diverse set of socio(-economic) effects into monetary values. We believe it is essential to pay careful attention to these aspects.

How to interpret the contribution of this meta-analysis

It is to be remarked that our analysis of course does not attempt to give a universal judgement on the quality of SROI against a set of predefined criteria. At this inchoate state of SROI analyses, it is rather to be seen as a first attempt to set a benchmark along a (very limited) sample.

In thus far the meta-analysis can only present a judgement in categories of 'better' or 'worse' as well as outline potential ways to improve quality by making use of standards from social sciences research (e. g., the concept of control groups). A better understanding of how our assessment has been performed is going to unfold throughout the following sections, where the introduced categories are spelled out with concrete examples.

Development, Fields of Application, and Quality of SROI-Studies

What does the Meta-Analysis teach us about the State-of-the-Art
of SROI analysis?



Photo: Rainer Sturm/pixelio

1 SROI-Studies: Development Over Time

Little movement in the early years

Unsurprisingly, we found the number of SROI studies has increased over time. However, there are significant differences in yearly growth rates. For about a decade there has not been much movement which is reflected in the low number of publications in these years (2000-2009). Obviously, the prominence of this methodology had to spread, once it had been put forward by REDF in 2000 and it seems that this took a considerable amount of time.

Only from 2006 to 2007 we see a jump in the number of published studies. At this point the number of published studies we found becomes a two digit figure. The number of studies remains at a constant level from 2007 to 2009. This was the time period when the first practitioner networks were established, such as the SROI Network in the UK.

Exponential growth since 2009

In more recent years, the increase has become an exponential one (cf. figure). In 2010 we arrived at 22 studies, in 2011 we have reached already 45 studies. It seems that spreading the knowledge through practitioner networks as well as government initiatives (e. g., the Scottish Government initiative from 2009) has accelerated the movement. By now a boom of the method can be observed.

As we terminated our screening process for SROI studies in early in 2012, it remains to be seen how dynamically the field develops further, but we expect to find continuously strong growth.

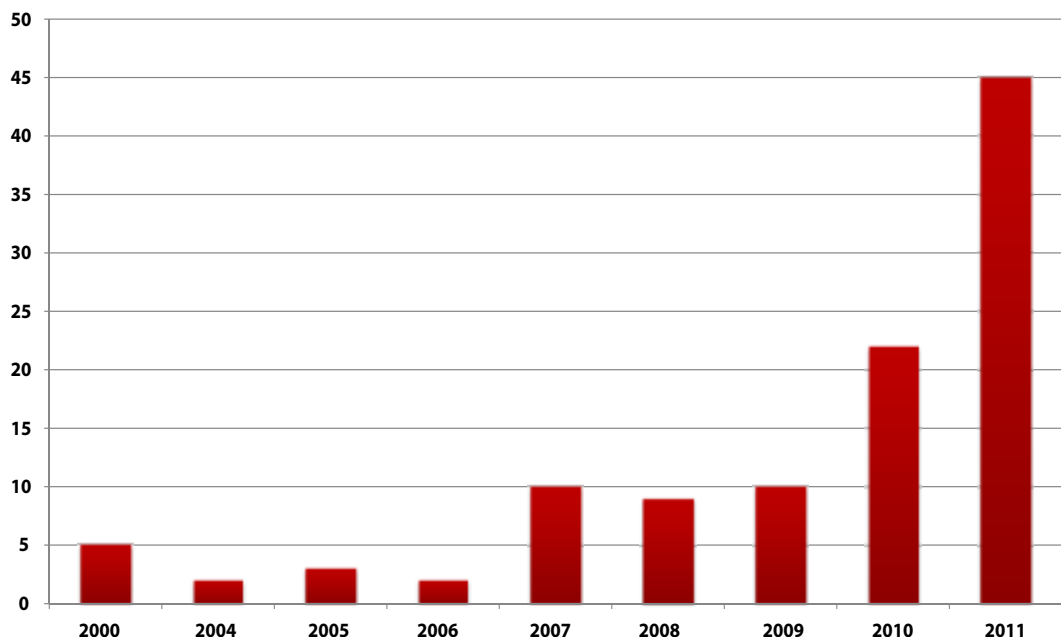


Fig. 1: Number of SROI studies published per year

2 SROI-Studies: Initiators, Analysts and Organizations

Dominance of Anglo-Saxon countries

In which countries did SROI strike root? In terms of geographic allocation, we assessed the location of the analyzed organizations, not the provenience of the analyst. In most cases, both are the same, but this is not always the case (CSI for instance has realized studies in other European countries; as mentioned before our own studies have however been excluded from this assessment in order to prevent bias).

Our data shows that Anglo-Saxon countries are in the lead in terms of the number of studies performed. Not only was SROI invented in the USA, but it has intensively been promoted by the British new economics foundation and the UK-based SROI Network. The development may be related with the strong performance orientation of Anglo-Saxon countries as discussed earlier.

UK versus continental Europe?

Obviously the field is also developing in continental Europe, but still lags considerably behind in the number of studies. What seems very odd is a negligibly small number of studies that focus on developing countries (only 4), despite the long tradition of evaluation in e. g., the field of development assistance. This may be due to the fact that this evaluation tradition is very distinct and hard to penetrate. It might also be that SROI is perceived as a very Western concept and faces hesitation from against cultural and socio-economic backgrounds. The fact that SROI is so prominent in the UK might have been fostered by the intense dialogue on the subject and the pronounced social enterprise discourse (cf. Grenier 2009).

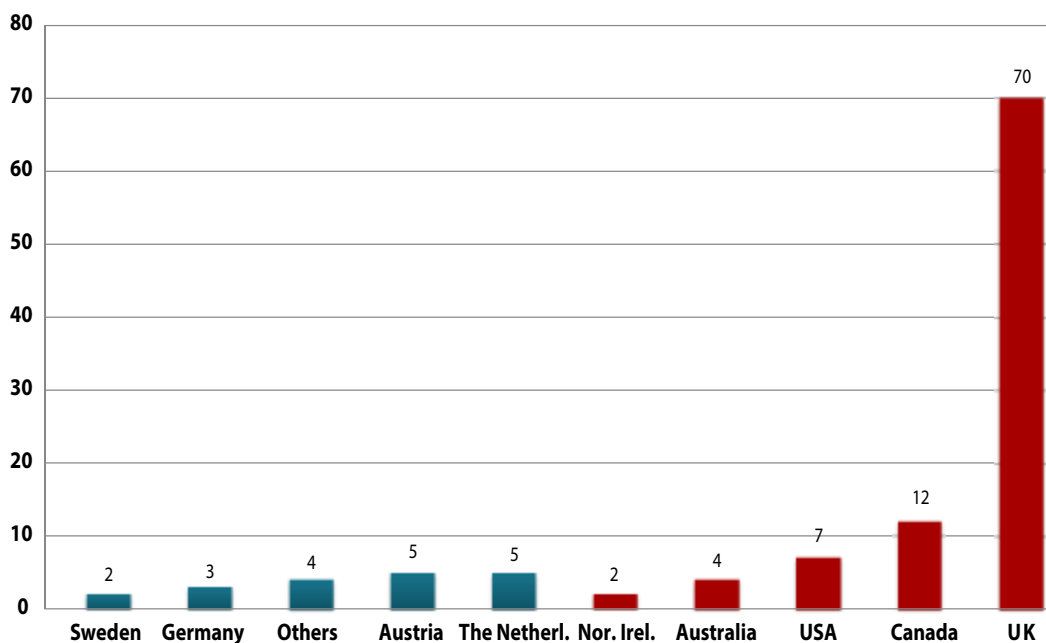


Fig. 2: SROI studies: Country of origin

Who are the initiators of SROI studies?

By 'internal' we label studies which have been *initiated and funded* by the analyzed organization itself. In such cases we take it to be more probable that the study has not only been undertaken, or at least used, to inform stakeholders and potential funders, but also to inform internal strategy development and organisational learning. Interestingly, we found the number of internal vs. external studies to be balanced (46 % vs. 54%).

Besides, we have found 11 studies in the sample which were a self-evaluation performed by the organization without the involvement of an external analyst (however these have been partly initiated by the organisation itself and partly by a third party).

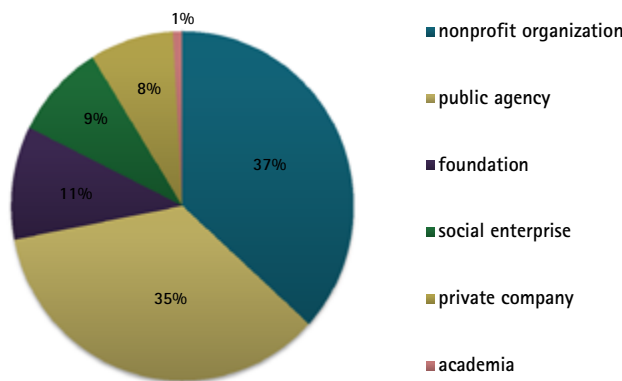


Fig. 3. Initiators of SROI studies

The last aspect hints at an increasing interest in SROI from a *(potential) investor perspective*. Thereby more than half of the studies have been initiated by (1) parties that have already been funding the organization before the SROI study was commissioned (thus mainly for monitoring purposes), (2) third parties that have been less involved in the organization before (potential future funders or brokers between the organization and future investors), and (3) regulators (also for monitoring purposes, but perhaps also for identifying or illustrating good practices).

It is interesting to see that public agencies (as regulators or funders) in principle represent a considerable part of the initiators of SROI studies, only closely preceded by nonprofit organizations

(self-assessment or as funders of studies on other organizations). We take it as a sign that an orientation towards impact has already affected the public sphere. However, this public impact orientation rather results in new forms of external monitoring and evaluation on publicly funded projects. In contrast we find little evidence for studies in which public bodies and their activities are themselves the subject of SROI analysis.

NONPROFITS & STATE ARE MOST IMPORTANT FUNDERS

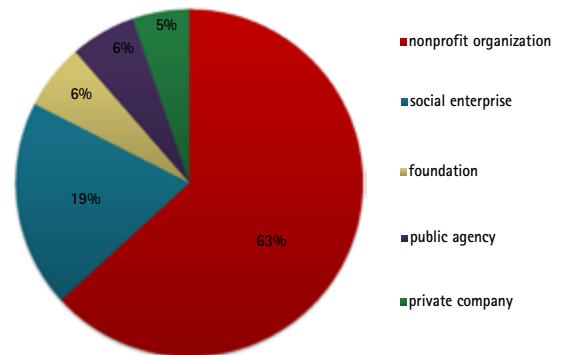
While this is congruent with recommendations of strengthening the state's role as a broker and regulator rather than (innovative) service provider in the context of social entrepreneurship (Křelav 2011b, 2012), this does not mean that there is little room for assessing public service delivery by the SROI approach – quite the contrary is true.

What types of organizations are being analysed by the SROI approach?

With regard to the types of organization, as we initially suspected, the largest part of studies remains focused on nonprofit organizations or social enterprises.

The rather low number of foundations might be explained by the fact that there are much more grant-making than operating foundations, which rather run analyses on their grantees than on themselves. Despite the general applicability of SROI, its permeation of the private and the public

Fig. 4. Type of analyzed organization



sphere is very low. Just as the public sphere, companies do not yet seem to have recognized SROI as a useful tool, despite of 'Corporate Social Responsibility' or 'Corporate Citizenship' as potentially fruitful fields of application.

PUBLIC AGENCIES & COMMERCIAL FIRMS ARE RARELY ASSESSED

For instance we have made good experiences with analyzing an in-house child care programme of a large corporate and its effects on employees and their families. However, there has not been a single study in our sample that would fall into this category.

All examples from the commercial sector that have been analyzed by SROI have been engaged at the intersection to social services or in 'responsible business' areas, e. g., in clean energy, local organic food production or the construction of social housing.

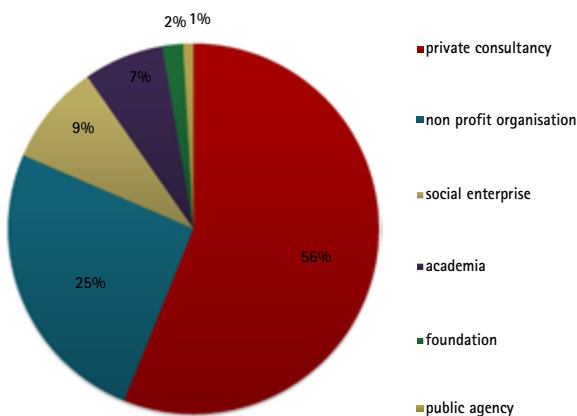


Fig. 5. Analysts performing SROI studies

Who performs SROI analyses?

The 'market' of analysts is clearly dominated by private consultancies. Academia is far from yielding any significance in the field. This is surprising, since social scientists are well-equipped with methodologies needed to realise SROI studies.

However, if the subject is at all discussed in the academic context this takes the form of 'look & learn strategies' making use of existing reports or case studies about where SROI is applied. Although such cases are valuable for stimulating academic discourse, academia should probably move ahead in two ways: First, by reflecting the practice of SROI and refining underlying theory, second by getting more strongly involved in actual SROI analyses out in the field. The reasons for this are pretty straightforward: Since the field is still far from established and well reflected standards are missing, it might benefit tremendously from a more intense interaction of practitioners, analysts and academics.

Is SROI used only retrospectively, or also as a forecasting tool?

The answer to this question nicely illustrates how theory-practice transfer can enhance the evolution of a common understanding of essential principles and features:

While from a theoretical perspective (cf. Maas 2009: 59) SROI is portrayed as rather inadequate for prospective use (i.e. for forecasting), our analysis shows that this kind of application is highly relevant in practice.

The majority of studies is indeed retrospective (i.e. analyzes impact of activities performed in the past; 65%). But our figures underline the importance of studies that are prospective in nature: above 30% of the studies in our database use SROI prospectively. In addition, almost 5% of the studies use a combined approach.

Any SROI involves deeply analyzing the theory of change of the organization or program. This can be the starting point for both developing a retrospective approach or a forecast model.

3 SROI-Studies: Fields of Application, Target Groups, Stakeholders

In which fields is SROI used today?

A further conjecture which our data confirms is that ‘work integration’ remains the dominant field of SROI application. This is where SROI has been originally developed and is rather easy to use.

A striking fact instead is the high importance of ‘life coaching/assistance’ and ‘environmental projects’. We would have expected both fields to be less accessible to monetization than e. g., health care, housing or regional development.

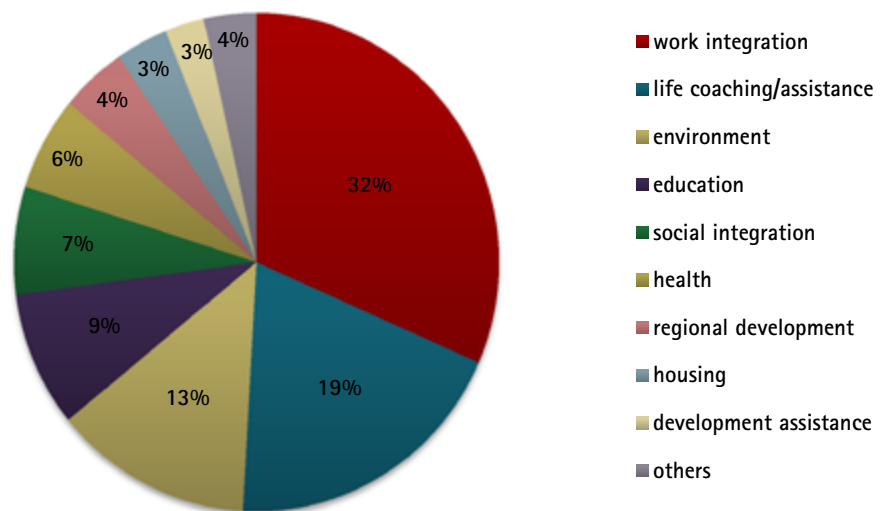
Our category of ‘life coaching/assistance’ includes the following interventions: violence prevention and personality building for youth, support for pregnant teenagers, resolution of family conflicts, assistance for women affected by violence and people in distress due to challenging life situations, especially people with mental health problems.

The studies in this field actually try to avoid monetization of soft outcomes (like an increase in self-esteem) and concentrate their monetary assessment on avoided public expenditures (e. g., a decrease of financial transfers to people in crisis or the reduction of the work load of public bodies like the police). This in turn means that about half of these studies score low on the ‘comprehensiveness of indicators’, since the inclusion of social aspects into the studies is weak, both in qualitative and quantitative terms.

DOMINANT FIELD: WORK INTEGRATION

Furthermore, environmental interventions (which mainly target aspects such as increased ecological awareness or healthier lifestyles both in terms of physical activities in nature and nutrition) may be

Fig. 6. Fields of SROI application



even harder to assess by SROI. Against this background it has to be noted that the comparatively high share of the umbrella ‘environment’ was caused by a single organization that has published nine SROI studies alone.

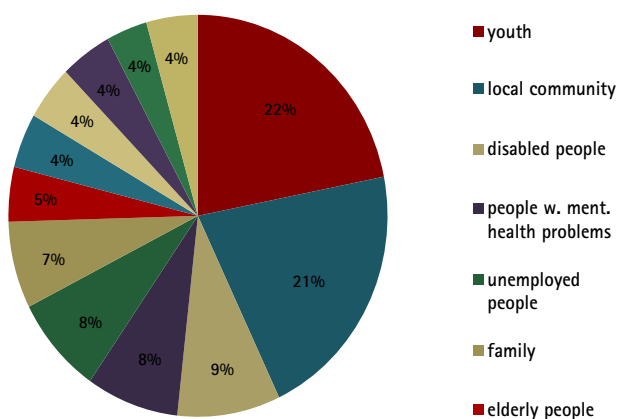
What are the target groups of the interventions analyzed by SROI?

A striking feature in terms of target groups is the strong emphasis on youth. These interventions usually have an education or personality building context both of which seem fairly hard to capture, especially in monetary terms. We expected to find more studies focusing on the elderly, for instance in terms of evaluating care institutions.

PRIMARY TARGET GROUP: YOUTH

There may be a structural explanation for this finding. While the care sector is more intensely covered by public and private providers, youth work may be more strongly dominated by non-profit organizations.

Fig. 7. Target groups of interventions analysed by SROI



Another reason might be that especially in the case of less tangible types of intervention, the actors feel the urge to better account for the social value they are creating. The strong involvement of nonprofits might also explain the dominance of the ‘local community’ perspective, which is again a rather counter-intuitive field of application, due

to the relatively large number of both stakeholders and direct beneficiaries that have to be involved in the analysis. This circumstance increases the complexity of the analysis considerably. However, this does not mean that fields where financial costs and benefits are more obvious should not neglect the social value they are creating.

Which stakeholders are most included in SROI analyses?

In terms of stakeholders it is unsurprising to find individuals to be the most important one. In addition to an isolated focus on the individual there were also studies in our sample which take on a community perspective or a combination of the individual and community perspective. However, and more interestingly we find that the number of studies that focus on individuals is equal to the one targeting the state as a major stakeholder. This finding underlines the prominence of the socio-economic perspective in SROI.

Given these findings, future SROI studies should strive to extend the stakeholder perspective to family and friends on the beneficiary side and to employees and volunteers on the side of the analyzed organization. SROI is an approach which attempts to capture the entire social impact, including the notion of ‘societal’ impact. It should therefore strive to include members of the social network of the individuals who are targeted by an intervention. The same logic applies to employees and volunteers who could profit from positive externalities or spill-overs.

MAIN STAKEHOLDERS: INDIVIDUALS & STATE

We were also surprised to find the organizational level and thus the stakeholder category of ‘for-profit and nonprofit organizations’, including the providing organization itself, its funders or third parties, to be so strongly pronounced. As this was a very mixed and diverse category it seems to be recommendable to dispose of a strong nonprofit – for-profit divide and to stress the impact that is being achieved instead, as has been argued elsewhere (Krlev 2012) and which is an essential characteristic of SROI.

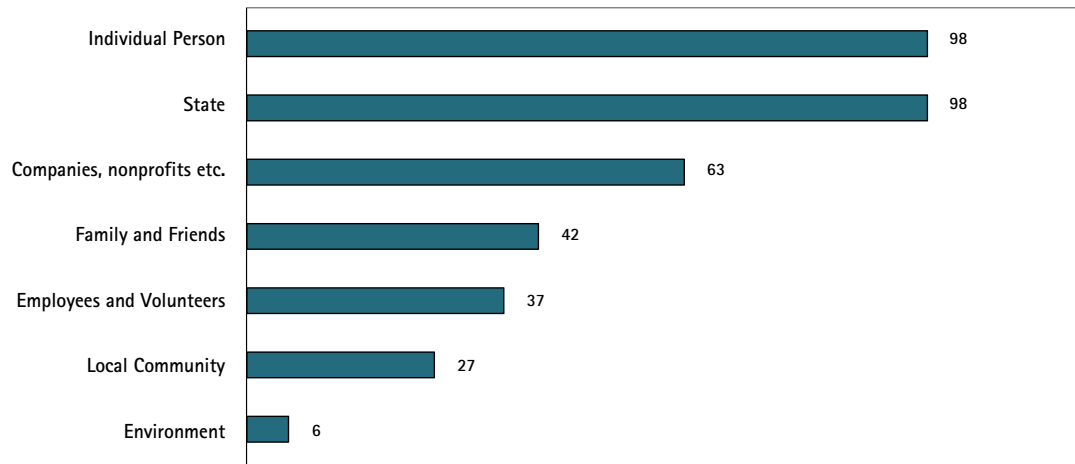


Fig. 8. Stakeholders included in SROI studies

To a certain extent SROI should then take into account multiplier effects (positive effects transiting from one organization to another). But SROI practitioners have to be prudent of a mission drift within SROI towards assessing gains that are mainly of private nature and to the benefit of constituencies that are not disadvantaged in any regard.

In any case it is becoming evident that it is necessary to answer both questions: who benefits to what extent? And which further effects (externalities) does this bring about?

Altogether, the view on stakeholders is quite comprehensive. The claim of SROI to take account of the effects on all relevant stakeholders is all in all seriously executed. Only about one third of the studies in our sample score low on stakeholder inclusion. However, those that did so were often characterized by severe one-dimensionalism either focusing on the individual or the state exclusively. This aspect should thus not be neglected in the development of SROI after all, the more so as it has a direct influence on the application of indicator sets and their comprehensiveness.

4 SROI-Studies: Indicators for Social Impact

Overview

A finding of major interest concerns the type and frequency of indicators used in SROI studies. Since the field is still suffering from lack of standardization, a comparative analysis of indicators currently in use could promote the discussion on how to further standardize the approach.

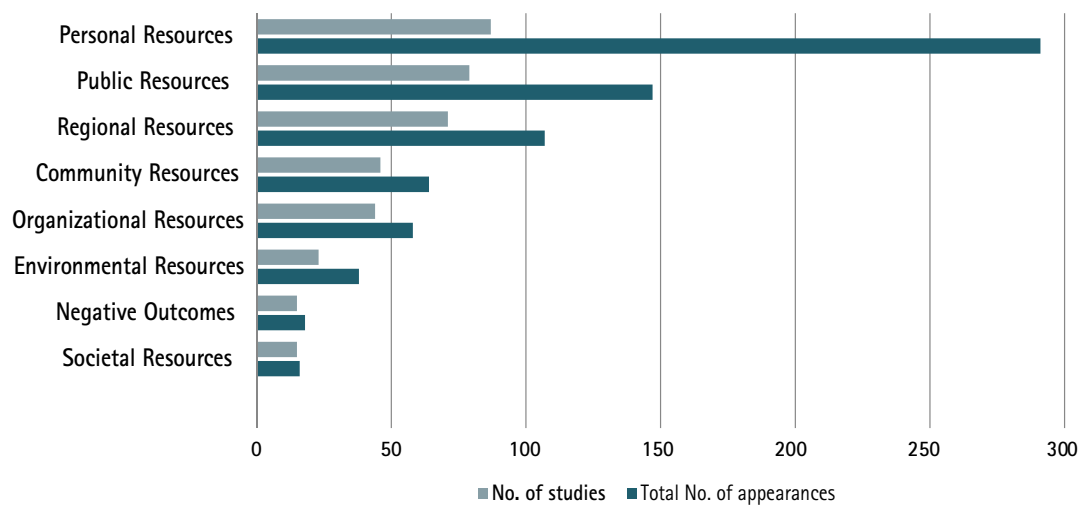
We have noted down all indicators used in any of the studies and built **groups of indicators** that address distinct sorts of impact. In an iterative process the most valuable categorization theme turned out to be one that targets social value creation in terms of building up “resources”, e. g. on the personal, the public or the organizational level. The total numbers of appearances of items belonging to one category as well as the number of studies in which the relevant category has been used are summarized in the following chart.

Those indicator groups range on a continuum of increasing degrees of particularity: from public (or state) resources over regional, environmen-

tal, societal, community and organizational to personal resources. An additional group covers indicators which address negative outcomes. The figure gives both the number of studies in which they appear at least once as well as their total number of appearance in the sample taking repetitions into account.

Each of our indicator groups consists of several **indicator categories**. Those categories in turn consist of several individual items.

For example, the group ‘public resources’ contains the category ‘avoidance of the workload of public agencies’, which in turn includes reduced police time as well as reduced use of hospital capacity amongst others. We decided to build the categories since it was literally impossible to include each single indicator used in the studies in our overview. The following table displays the most and the least frequently used indicator categories with their frequency of use in terms of the number of studies in which they were applied.



Tab. 9. Frequency of indicator groups used in SROI studies

Tab. 3. Frequency of indicators used in SROI studies

Indicators	No of studies
Personal Res (PR): Human capital	57
Public Res (PuR): Public transfers	52
PR: Health status (physical)	49
Regional Res (RR): Income (household)	49
PR: Self-esteem	46
PuR: Reduced workload	43
PR: Social participation	40
RR: Job integration	39
PuR: Increased taxes	35
PR: Well-being	34
PR: Health status (mental)	31
Orga Res (OR): Publicity	23
OR: Learning /staff motivation	18
Community Res (CR): Crime reduction	17
OR: Financial gains	17
...	...
Environ. Res (ER): Recycling	4
Soc. Res (SR): Intervention transfer	4
PR: Political participation	1
SR: Decrease of discrimination	1

Discussion of findings

The use of indicators is dominated by a perspective on **personal resources (PR)**, which is obvious since SROI mostly focuses on social interventions targeted at the individual. However, many of the items addressed in the studies we analysed, are rather difficult to capture. While there might be quite tangible indicators for improved physical health status, it is far more difficult to depict mental health status or aspects like increased self-esteem (this is by the way one of the top categories applied in SROI studies!).

For this reason we have to work towards developing more common metrics for such aspects. We have to come up with ways to measure and display them not only illustratively, but through standardized figures that are as objective and valid as pos-

sible. Our quality assessment will clearly indicate that there is an important need here.

The frequency of **public resources (PuR)** is probably due to the fairly convenient ways of capturing of socio-economic effects like a reduction in financial transfers or an increase in taxes.

This is related to the **regional resources (RR)** category, which mainly stresses increased income through new jobs, which comes naturally, given the strong focus on work integration as a dominant field of application of SROI (cf. above).

The fairly well developed application of the **community perspective (CR)** underlines the pretty comprehensive view on stakeholders, which leads to an inclusion of aspects such as cohesion or the decrease of conflicts in wider (e.g. neighbourhoods) and closer (e.g. the family) social networks.

In contrary a **societal view (SR)** on whether the intervention might have been adapted and spread by others, or aspects like ‘awareness raising’ and ‘public discourse’ have clearly been neglected. Of course, the challenge here is how to capture these aspects in a suitable way.

Furthermore, there is definitely a strong development potential of SROI in the field of **environmental resources (ER)**. This includes aspects such as intensified interaction with and in nature, ecological awareness and especially environmental preservation.

DESPITE DIVERSITY, THERE IS A DOMINANCE OF SPECIFIC INDICATOR GROUPS

Finally, we find it surprising that **negative outcomes (NO)** like adverse social effects or the necessity of increased use of public, natural, financial or personnel resources have rarely been addressed. We think that this perspective needs to be developed considerably if we want to get a more balanced picture of the overall impact created by a social intervention.

Indicator Group	Personal Resources (PR)	Public Resources (PuR)	Regional resources (RR)	Community Resources (CR)	Organizational Resources (OR)	Environmental Resources (ER)	Societal Resources (SR)	Negative Outcomes (NO)
occurs in X of 114 studies	87 studies	79 studies	71 studies	46 studies	44 studies	23 studies	15 studies	15 studies
total (incl. multi-occurrences per study)	291 overall	147 overall	107 overall	64 overall	58 overall	38 overall	16 overall	18 overall
Indicators in this group	<ul style="list-style-type: none"> - Health status (physical) - Health status (mental) - Human capital (knowledge & skills) - Participation (societal, i.e. "social capital") - Participation (political) - Independence - Feeling of safety - Personality formation - Job satisfaction - Well-being/happiness 	<ul style="list-style-type: none"> - Increased efficiency of procedures - Increased taxes - Reduced financial transfers - Reduced workload for public bodies - Reduced subsidies (e.g. for housing) 	<ul style="list-style-type: none"> - Economic stimulation (regional development) - Increased private incomes - Integration into local jobs - Financial state support (that has not been received despite a righteous claim) 	<ul style="list-style-type: none"> - Stronger communities (extension of networks/neighborhoods) - Cohesiveness (integration of networks/family, friends) - Decrease of conflicts (e.g. in family, neighborhoods) - Reconciliation/integration of family life and work - Reduction of crime/re-offending - Prevention of Homelessness 	<ul style="list-style-type: none"> - Financial gains - Improved reputation/publicity - Organizational learning/improved staff motivation 	<ul style="list-style-type: none"> - Ecological awareness - Environmental preservation (avoidance of pollution) - Enhancement of sustainability values (e.g. recycling) - More time spent outside 	<ul style="list-style-type: none"> - Spreading/transfer of the approach/intervention - Awareness raising for the issue at hand (public discourse) - Decrease of discrimination (e.g. ethnic, gender) - Increased individual mobility 	<ul style="list-style-type: none"> - Adverse social outcomes - Creation of increased investment needs

Tab. 4. Indicator groups and categories in SROI studies

As the analysis of stakeholders has already indicated the focus on **organizational resources (OR)** is quite strong. The table shows that within this category financial gains are least important. A stress on organizational learning, staff motivation and development and its positive effects on the capacity of the organization has been much more prevalent. Publicity mostly for the analyzed organization has also played a role. Taken together this shows that the private gains, though present, are not in the foreground of SROI.

Discussion of indicator groups

In order to aggregate the view on individual items to larger categories it is useful to have a look at the groups of individual indicator categories in table 4 next table. It lists the different groups of indicators as well as the number of total appearances of the group in the sample.

Generally speaking, we see that **public savings** in terms of decreased transfers and increased taxes are very prominent. This is connected to increased income through new jobs (while, interestingly regional economic stimulation has rarely been examined). Also, reduced workload for public agencies is a central category.

In terms of **personal development**, the most strongly stressed perspective is the one on human capital, meaning the development of skills and knowledge. Of similar importance is health status (both physical and mental) and the very soft items

of well-being or self-esteem including personality enhancement and confidence. Unsurprisingly, 'well-being' has usually been captured in very vague terms – for instance by descriptions like 'people feeling happier'. Here, life satisfaction surveys may be a viable option to measure this item more precisely.

What has been clearly underdeveloped is the aspect of awareness and its different facets. Together with an obvious neglect of **political participation**, including items such as advocacy, it is becoming evident that political aspects are almost not addressed at all.

Since most of the studies want to be of high socio-political relevance, it seems worthwhile to invest much more into finding out which effect they actually have on policy.

In addition, **cultural aspects** like discrimination are also pretty much neglected. There was not one SROI study performed in the area of arts. It seems our understanding of broad social impact would benefit from a more nuanced view on the aspects of cultural discourse or values.

Generally speaking, the studies would be enhanced by drawing from work in neighboring fields. For example, when it comes to aspects of personality and group interaction, it might also be recommendable to draw upon existing knowledge from (social-) psychology.

5

SROI-Studies: Quality Assessment

Introduction

The less standardized and transparent a field, the more there is a need for a comparative quality assessment. How can you tell an SROI study is a good SROI study? No simple answer can be given in this regard. We rather want to report our findings along a number of different quality rating categories that can be used to assess SROI studies. Our findings portray the landscape of SROI and hint to where high standards are put into practice and where there is room for quality improvements and development of quality standards.

In the following, we report the findings for each of the categories described in the presentation of our research approach 3 ('methodology').

Transparency about why SROI was chosen

SROI is not the only framework for social impact assessment, and there are different notions within the SROI procedure. The question is whether a study is transparent about why (and how) the method of choice has been applied? Is there a clear reference to the connected discourse surrounding the subject? Is there furthermore e. g., a reference to the specific SROI version or 'tool kit' applied?

The studies' performance in this category could have been better, but is still fairly well developed. 73% of the studies got a 'high' rating, only 10% a 'low' one and another 17% were allocated a 'no' for no reference to any of the issues at all.

We think that even short summaries of SROI studies should at least contain a link to more information on the SROI approach and connected questions. Readers not acquainted with social impact measurement have otherwise little to know guidance as regards the assumptions and background

impact assessment, the typical process of an SROI study or the interpretation of results.

Documentation of the analysis

A common quality criterion for empirical studies in general is documentation: Do the authors give the reader enough information so that he or she can trace the way that the reported results have been produced clearly and in a detailed fashion? Do the authors provide information on the steps of progress and the main methodological decisions that have been taken?

In an impact analysis we need to ask: does the study explore and illustrate the different facets of impact it tries to assess to a degree that does not leave things uncovered, unclear or unspecified? This could for instance be enhanced by providing 'background information' like a description of prior work that the study has drawn from to establish potential cost effect relations or the theory of change.

Among the studies we analysed, above 42% do not perform this to a satisfactory degree (42% 'low'), the remaining 58% score 'high'.

CAUTION WITH PUBLISHING SHORT SUMMARIES

A major reason for this result in the transparency category is the considerable number of summary reports in our sample. Often, it seems, the published version of an SROI is only a 'short version'. Especially in the current still inchoate state of the SROI approach, such formats may be misperceived and could damage SROI and its standing

and development. Short-cuts for informed readers can be provided in form of an executive summary, but if there is a comprehensive study why not provide it in the first place? And if the reason for not giving more details is that there are sensitive issues with the process applied or the results, the study could illustrate how methods can be improved for the whole field or not be published at all.

A major reason for these poor results in this category tracing the transparency of the analysis is the considerable number of summary reports in our sample. Often, it seems that the published version of the SROI study is indeed only its 'short version'.

This is a delicate issue, especially in view of the current inchoate SROI as a field of practice. Summary formats can easily be misperceived and could damage the present standing and future development of SROI. Short-cuts to the analysis for informed readers can be provided by an executive summary.

And if the reason for not providing more details is that the performed study contains several critical issues, its publication could illustrate how methods would have to be improved for the whole field or should not be published at all. Any of these two options is better than publishing a short version that veils all controversial issues there might be.

Study design: control for 'dead-weight'

There is one key challenge for any impact assessment: In order to claim the value created to be the 'effect', or 'impact', of an intervention, one has to subtract what would have happened anyway (without the intervention) – the so-called 'dead-weight'. In other words: if you cannot be sure that what you measure would not have happened anyway, you cannot call the analysis a measurement of impact.

There are numerous highly sophisticated approaches in the empirical social sciences for establishing or at least approximating such causal connections. The silver bullet is: the '**control group set-up**'. If you want to know whether a medicine is effective, give it to one group that differs from the other only in the fact that it has received the drug and the other has not. All other characteristics of the group should be equal. Then compare:

check whether your 'treatment group', which got the medicine, actually does better than the 'control group'.

However, in our sample virtually none of the studies (only 3 out of 114, or 2.6 %) used such a research design.

A rather cheap and thus practicable approach is to replace the control group with available data on average behavior or traits of people from public national or local surveys. This is done in the section on the approximation of 'dead-weight' in many studies.

A better second-best approach is to run, at least, an '**ex ante – ex post observation**' (and thus to track impact over time). How can you tell something has changed if you don't know how it was before? This does not cut out the dead-weight problem, but still improves understanding for the processes behind.

NEITHER CONTROL GROUPS NOR EXPLICIT EX-ANTE - EX-POST OBSERVATIONS ARE WIDELY USED

This accounts for social effects in particular. For instance, survey data from people who claim they are more aware of ecological issues is problematic, since research on survey behavior has shown that people are likely to make mistakes when judging themselves. Only about 18% of the studies have explicitly used an ex ante – ex post observation (82% 'no'; 18% 'yes').

It goes without saying that a challenge in this is that when performing an SROI you would rather get the results quickly – and not wait for the results three or four years.

On the other hand, besides the advantage as for establishing 'impact', ex ante – ex post approaches are one step into making impact and performance assessment a continuous process instead of a one-time event. A good SROI study should establish a sound basis for an internal monitoring and evalua-

tion system which can inform the management and or the communications team continuously on how social impact indicators are developing.

Reflection of the results

Regularly, it is stated that the SROI ratio, i.e. the cost/social benefits coefficient, is a crucial part of SROI. But at present, no study should convey the impression that its SROI ratio is a completely robust figure which is accurately expressing the entire cost and value created through the intervention and therefore applicable in cross-case comparison. SROI results should hence only be presented together with a discussion or interpretation of the SROI analysis. To assess this aspect we took into account three things:

the reader on how the choice of variables and their weighting can affect results. This is called 'sensitivity analysis'. – An overview of the results is given in the diagrams below.

The figures show that there is a severe lack of reflection in current SROI studies. More than half of the studies have not discussed limitations comprehensively – most of them even not at all.

Even more, almost 70%, have not interpreted the SROI ratio sufficiently, again the majority not at all.

Moreover, about 50% have not undertaken a sensitivity analysis of their SROI ratio or at least not illustrated it in the report.

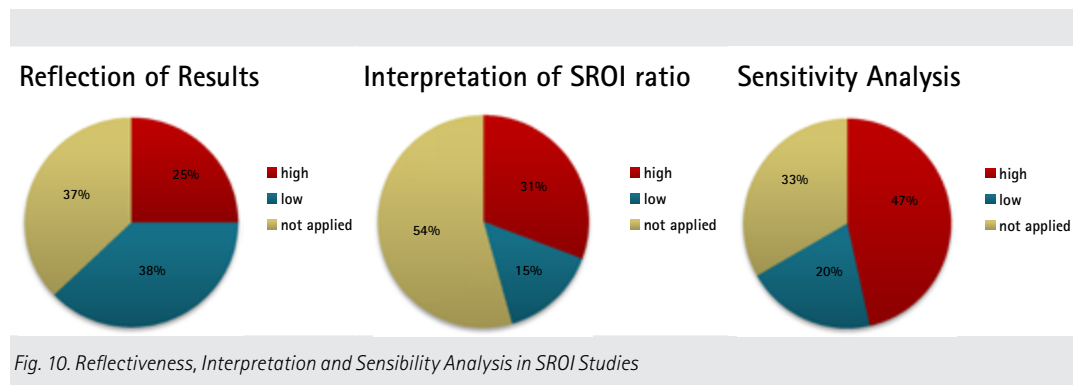


Fig. 10. Reflectiveness, Interpretation and Sensibility Analysis in SROI Studies

(1) Does the study convey some sort of awareness that SROI results need to be interpreted? Are the authors explicit on why and how their results could be challenged, or what limitations of the study they see? – In order to receive a 'low' instead of a 'non-existent' (meaning that this has not been present at all), it was already sufficient if we found one or two sentences referring to this issue.

(2) Does it become clear that the SROI ratio, or coefficient, alone cannot be seen as the essence of the SROI study? Typically, the coefficient only reflects part of the social value created. A sound SROI study also delivers insights into social value creation beyond monetized aspects which form part of the SROI ratio. As before, even a short note on this issue resulted in a score of 'low' instead of 'non-existent'.

(3) Has a sensitivity analysis been undertaken? It is a sign of quality of an SROI study to inform

A further lack of methodological accuracy is that about 45% of the studies did not even include an **impact map** that would give an overview of the analyzed dimensions and relate inputs to impacts.

DEGREE OF REFLECTION IS MOSTLY LOW

These findings indeed point to a critical issue, since the rigor and transparency of a method, including limitations, determines whether it will be taken seriously by social organizations as well as social investors.

Analysis of indicators used in SROI

The issue above is driven further by the necessity for a sound choice of indicators and financial proxies as well as a display of what is supposed

to make SROI distinct: a profound illustration of social effects. We therefore assessed the validity and comprehensiveness of indicators and financial proxies.

In fact to present our own analysis as having a high degree of validity would be much overrated. One major limitation has clearly been present: the sheer amount of indicators and proxies in each of the 114 studies and the fact that we could only briefly screen what has been presented, not to speak of practically or theoretically examining whether the variables measured what they were supposed to or did so as holistically and pragmatically as possible.

Thus, this is far from being a robust, universal judgment. But on the other hand we had the possibility to compare studies amongst each other. Based on that, it was easier to assess if comparable studies in a similar field have been more inclusive or precise in terms of the chosen variables than others.

Indicator sets scored 'low' in this category when the number of indicators was very low or the categories very abstract like 'decrease in support need' or 'acquisition of special industry knowledge'.

Thus, partly this category has been intertwined with the one on inclusion of stakeholders. Studies with a single stakeholder focus would consequently result in less variety and comprehensiveness of indicators than others which had been more inclusive of stakeholders.

Validity & Comprehensiveness of Indicators

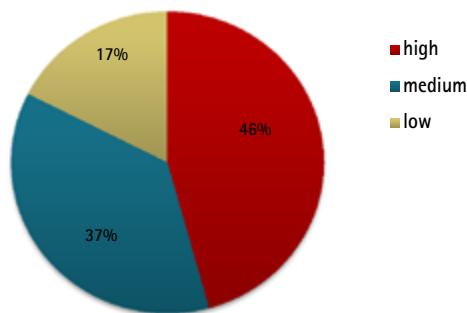


Fig. 11. Assessment of indicators

Another distinct criterion was whether a study used "numerical increase of participants" as an impact indicator – without any discussion of the question in what way and to what extent those participants benefited from participating.

There are certainly instances where the sole number of people is suitable to measure impact. For instance the number of people finding a job is a robust factor for deriving public savings in transfers, the creation of new income and the attached rise in taxes. In a youth center, however, the mere increase in numbers of people going in and out wouldn't tell us that much. What if more young people visit the center because they are urged to do so? What if an increase in new visitors makes the services offered less effective for those youngsters who always used to go there?

INDICATORS SHOULD INCORPORATE THE QUALITY AND THE QUANTITY DIMENSION OF IMPACT

While none of the studies we analyzed provided a naïve view on what was happening, we still note the tendency – maybe due to some sort of 'fascination for figures' – that people forget to explain the eventual effect an increased number of participants actually has.

As Arvidson et al. (2010: 10) point out the stimulation of community engagement is of value in itself, the estimation of its value however requires a causal link to e. g., the elements of independence (choice) or empowerment (voice). Thus, it is not sufficient to stress the mere increase in the number of people who report to be engaged more strongly through an intervention, but for example also to which extent they are more engaged (as compared to the situation before) and how much this has benefitted their independence or that of other community members.

Transferring this rationale to care for the elderly, we would have to ask: How many more recreation activities can the elderly choose to participate in

through an increase of engaged volunteers? Or take the aspect of ‘empowerment’: How much more has a disabled person been involved in the decision making of her care institution through volunteers that assist her in articulating her views? The mere number of new volunteers will not carry us far in both cases.

Summing up, we find that there is a need to acknowledge more clearly that impact consists of both, quantity and quality. But as our figures show, at least almost half of the studies already do this pretty well (ca. 46% “high”).

The use of financial proxies

In our rating of financial proxies we aimed at assessing the reliability and transparency of the proxies applied. A ‘low’ rating was assigned, for instance, when financial figures were ‘derived from own expertise’, but also in case of a too forceful pushing for monetization.

Examples for the latter include using the charges for an adventure trips to approximate the value of a challenging job environment, or using the charges for a 2-days self-esteem course to express the value of personality formation through an intervention.

Validity & Comprehensiveness of Fin. Proxies

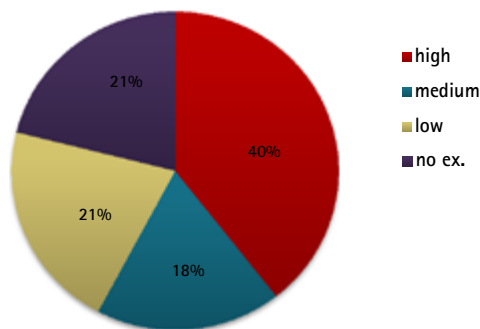


Fig. 12. Assessment of financial proxies

Is the market price of a randomly picked course really reflecting anything that is close to the individual value a work integration initiative can deliver? The answer seems straightforward, but apparently is not always perceived that way.

The third relevant aspect is once again the question: “how much”? It is insufficient to know that

a person reports ‘an increased degree’ of self-esteem, it is important to specify this degree and even more importantly to examine how the person benefits from this. These aspects have to be reflected in the financial proxies applied or in the act of refraining from using them.

We think, for instance, that it is doubtful to use

FINANCIAL PROXIES SHOULD NOT USE THE COST OF INPUTS TO VALUE OUTCOMES

the financial cost of an education grant to approximate the impact an educational program. The grant may be an input and is not a monetary approximation of the impact. We would mix up means and ends by proceeding like this.

Medium rated financial proxies had similar issues, although less pronounced than the “low” rated ones. All in all, a large number of studies provided no, imprecise or too little information on the proxies used. If practitioners want to promote the standardization of SROI and the further acceptance of the approach in the social sector, they would better transparently illustrate the origin of the proxies used and the reasons for choosing them.

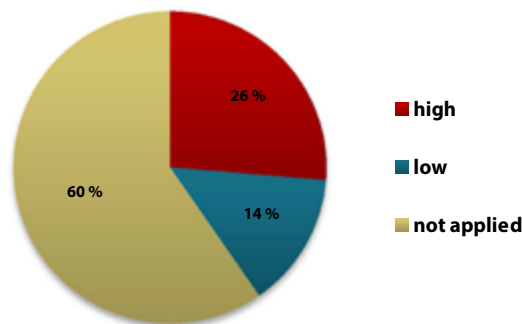
Coverage of social effects

Including a sound check for *social effects* beyond *socio-economic effects* is a classic claim of SROI since it was first put forward by REDF in the mid 1990s. However, social effects most often can be assessed in a quantitative or qualitative way but not be monetized. They cannot be considered in the calculation of the SROI ratio but need to be reported in complementary way. – To what extent do current SROI studies cover such social effects?

The very positive finding first: Every single study in our database included social effects to some extent. However, there has been much variation with regard to how the studies account for social effects.

We have divided this category into a qualitative and a quantitative part. The percent figures look at either the quantitative or the qualitative part in

Fig. 14. Quantitative assessment of social effects



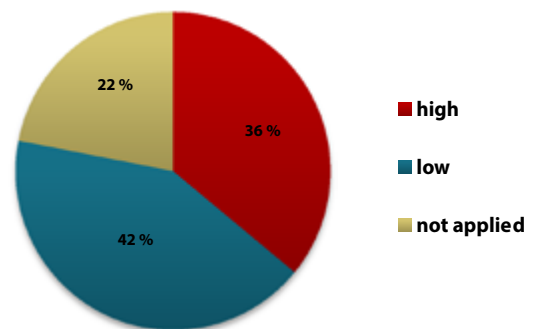
an exclusive fashion and indicate whether it has been applied to a “high” or “low” degree or not at all. It is reasonable to keep these two levels separate, because in many cases the SROI study either focused on the qualitative capturing of social effects or their quantitative capturing, while the respective other played no or a minor role.

Our rating took into account the scope that was given to the discussion of social effects, the number of individual issues covered as well as the way this has been done. A “low” rating in the qualitative part has been allocated to studies that worked with single case studies to get the point across. Since SROI attempts to give a picture of the general value created by an intervention, it is insufficient to illustrate the impact by a single case. “High” ratings have been given to a cross-case illustration or comparison of observations or the systematic analysis of qualitative interview data. The rating process yielded a fairly balanced proportion of “high” and “low”.

The weak point in any of these endeavors is that the field will never advance to comparability if there is no agreed format of how to display qualitative data. It is necessary to work towards standard ways of reporting here.

However, a comparative look at the practice of CSR reporting for instance indicates how diverse reporting can remain after years of practical application. It might take much time to derive shared standards of SROI, if we see that it takes so long even in a sphere that is very familiar with standardized guidelines, e. g. with regard to financial accounting (which of course themselves have a long history).

Fig. 15. Qualitative assessment of social effects



This might strengthen the argument for advancing quantitative measures. The figure shows how weakly developed the issue still is, with only about a quarter of the studies practicing it at a “high” level. The label “low” was already ascribed to any attempt of presenting survey data. High scoring reports have analyzed quantitative data more systematically and often displayed it graphically. However, this does not mean that these studies use common measures to capture specific effects. Therefore, the data remains ambivalent.

CAPTURING OF SOCIAL EFFECTS HAS TO BE ADVANCED

Two things can be concluded:

1. It should by all means be avoided to force monetization where inapplicable and to use doubtful financial proxies. In many cases it seems recommendable to accept that not everything can be plausibly monetized. Presenting robust quantitative or qualitative findings is most certainly of higher value for the advancement of a performance and impact perspective in the social sector than exaggerated exercises in monetization.
2. However, and exactly for fostering this purpose it is necessary to derive a much more fine-grained understanding of the ‘social component’ and to develop or apply measures that can capture and illustrate it in a holistic but also pragmatic way. Drawing more intensely on relevant established methodologies from the social sciences might be very useful here.

Overall quality assessment

Finally we have made an attempt to rate the overall quality along all 12 quality items. The items are summarized in the table, while their assessment is visually displayed on the next page. We chose to adopt a very simplistic approach by simply awarding one point on each item that got a “high” rating and no point if that item was rated “low” or missing. This approach contains many flaws, since some items are certainly perceived to be more important than others. We might also have differentiated between missing items and ones that were present only to a low degree. And finally, our judgment has been directed by the criteria we elaborated for our study – but these items are not widely agreed upon in the community to be the most relevant ones. Thus, further efforts will be needed to increase the quality of this quality check. This should be done in a discursive fashion within the field for which our examination can only serve as a starting point.

Quality dimensions of the meta-analysis	
I	(1) Linked to context discussion?
II	(2) Analysis well documented?
	(3) Impact map used?
III	(4) Control group setup applied?
	(5) Ex ante - ex post observations performed?
IV	(6) Indicators valid & comprehensive?
	(7) Proxies valid & comprehensive?
	(8) Social effects captured? (qualitatively)
	(9) Social effects captured? (quantitatively)
V	(10) Limitations discussed?
	(11) SROI ratio interpreted?
	(12) Sensitivity analysis performed?

Tab. 5. Overview: Quality Criteria for SROI studies

The quality mean was computed to lie at 5.4 with 11 as the highest value achieved out of a maximum of 12. The fact that no study in the sample has reached the maximum score is to be explained by the virtual absence of control group setups in the sample, and the fact that in many studies a

focus on a quantitative assessment of social effects led to neglects of their qualitative assessment.

We see that about 45% of the studies achieve a rating of 7 and above, which looks like a fairly good score. However, there is also a considerable amount of studies that have scored very low.

This does not mean at all that these studies do not convey valuable information, but only that they do not meet up with the ambitious criteria the SROI approach sets. Some of the studies could benefit from revision, e. g. with regard to the provision of more background explanation and could thereupon receive a higher score. However, the main issues – a general vagueness and flaws as for indicators and proxies, the insufficient capturing of social effects and a missing overall interpretation of the SROI ratio remain.

As indicated right from the beginning we have not attempted to assess quality of studies across time, region or field of activity. While any statement with regard to the latter is turned meaningless as the majority of studies focuses only on three to four fields and a comprehensive comparison is therefore hard to deliver, we can say something about the other aspects.

First, we did not find a tremendous quality increase over time. Even a significant number of most recent studies contain critical issues, while several older ones have delivered to the prospects of SROI right from the beginning. The quality rather seems to depend on the analyst and the analyzed organization.

Our conclusion is that we should not lean back and assume that the issue of SROI quality is going to be resolved by itself. Instead, the field needs to engage in intense dialogue. Just as in the time dimension there is a great spread between very elaborate and rather weak studies across countries.

In contrast to the theoretical reasoning that there might be a distinct drive in SROI studies from Anglo-American regions as compared to others (e. g., in terms of the monetization issue), there seems to be high similarity in the ‘quality range’ in this and other regards across countries and regions. Therefore enhancing SROI would definitely benefit from international exchange.

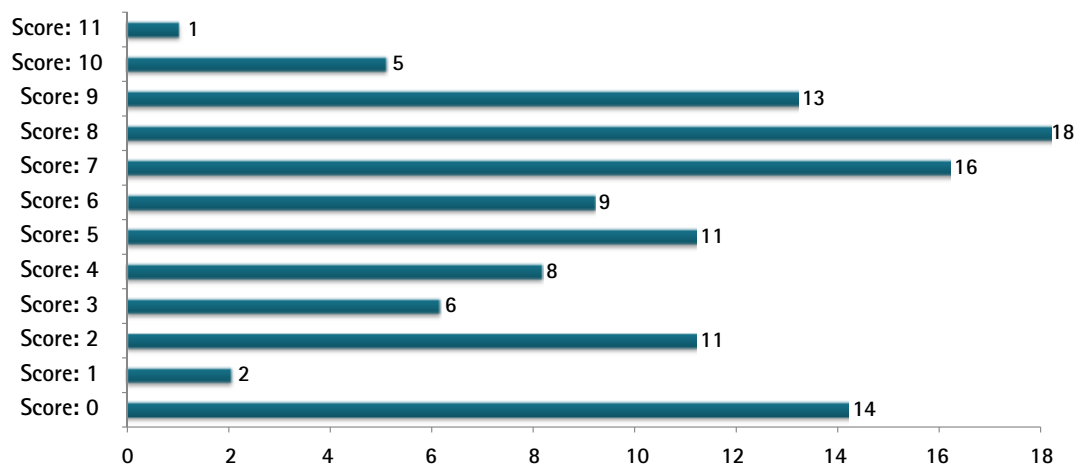


Fig. 16. Total quality Score (out of 12); number of studies with equal score indicated next to bar

Summary of quality assessment

In summary we can comment on the five big quality blocks as following:

I. The **transparency** of SROI - referring to how strong the study relates to the broader impact discourse and how much background information it gives on the method - is fairly well advanced.

II. The **degree of documentation** in the individual studies could however be improved, since it is almost equally distributed between 'high' and 'low'. A distorting variable in both categories is the prevalent tendency to publish SROI reports in summary formats. We argue that it is always beneficial to publish the whole report and have executive summaries in this report functioning as a shortcut to get a quick impression of the comprehensive analysis.

If readers lack elaboration on the background as well as the steps performed in the study, much of the contents could be miss-interpreted and this should be avoided to establish legitimacy of the method.

III. The application of a **control group** setup will probably continue to be an issue of controversy, since they are requested for a study to capture deadweight and approximate causality, but their application is simultaneously resource intensive.

The accuracy in performing **ex-ante and ex-post**

observations could nonetheless be improved - not least in favor of SROI as a continuous process.

IV. The application of **indicators** is pretty well developed. However, there is a trend to overemphasize quantitative aspects (like the number of people using a service) and to neglect the dimension of quality (which individual effects did the service have?).

The situation is worse with regard to **financial indicators** with a very low degree of standardization and a big spread in their application - with a considerable number of adverse examples. There might be a tension between proponents and opponents of increased monetization. In any case it has to be guaranteed that applied monetization strategies are sound. Otherwise they should be refrained from.

This connects to the capturing of **social effects**, which is in need of enhancement both in quantitative and qualitative ways.

V. The last critical aspect is the **degree of reflection** of in SROI studies, in particular in relation to the results. It has to be developed to avoid exaggerated focus on the SROI ratio and the connected effect of 'ratio inflation', which puts a threat to the reputation of the methodology.

These aspects will be discussed more deeply and used to provide targeted recommendations in the outlook.

Recommendations & Outlook

How SROI could develop both in Practice and Academia



Photo: Johannes Vortmann/pixelio

1 Outlook on SROI Methodological Advancement

The area to be explored most attentively is the one of methodological advancement. It has become clear that many studies do not fully follow the available guidelines of how to conduct a sound SROI study. These guidelines may not be perfect, but they represent a first step towards standardization and second they offer some valuable tools that make it easier for (uninformed) readers to apprehend what is being performed.

A key issue in this is the interpretation of the performed analysis, especially with regard to the SROI ratio and a display of critical assumptions that lie behind it. However, while this could be corrected fairly easily, there are major issues concerning indicators, proxies and how to fathom social effects.

First of all and most importantly we should make monetization a subject of critical discussion. Where is it reasonable to monetize and where should we strive for alternative ways of capturing the created value? Taking this as a point of departure it would become simpler to discuss how and

which indicators should be used. This may change over time, when there are new and viable ideas of how different sorts of impact can be captured, but the field needs a common base to begin with.

With regard to indicators it should then be made sure that mere increases in numbers are insufficient for pinning down the impact created. It should always be a combination of quality (how things change and to which degree) and quantity (in how many instances does it happen) that is being taken into account.

Building on this principle there seems to be a need for domain-specific standardization before we can start thinking about commonalities across fields. Indicator and proxy data-bases like the one of the SROI Network or of SROI Canada are an excellent platform (<http://www.wikivois.org/>; <http://www.sroi-canada.ca/financial-proxies/index.html>) for this. What the field needs to develop is transparent information and agreed standards of application. Databases should make use of widely available and objective data sources, e.

Limitations of the study

As addressed throughout the study, our approach contains several limitations. For instance it cannot claim to be representative for all studies available in the field, since many of them are treated confidentially and are not being published – sometimes due to unfavorable results, sometimes out of other reasons. Nonetheless the analysis can at least draw a picture of the public image of SROI. The data assessment can certainly be challenged, but the highest degree of objectivity has been attempted and the judgment criteria have been explained as comprehensively as possible. In any case it represents a valuable starting point as both the shared practical discourse and the academic discussion of SROI and impact measurement more broadly are in their infancy. We hope to have provided valuable insights for both, academics and practitioners. Derived from a matching between the theoretical exploration of the context of SROI and the empirical analysis provided, there are some key recommendations to be drawn as outlined in the following.

g. from existing national and international surveys or research projects, especially with regard to financial proxies. In order to develop comparability it needs to be made sure that similar, if not the same data is used for the analysis.

Finally we have to address the most underdeveloped area: the depiction of the social elements in SROI.

The analysis has made clear that there is a severe lack of standardized and meaningful ways to do so, not only because of the urge for monetization but also because of a weak, theoretically informed discourse about which ways of measurement could be applied. In general the sample illustrates that it would be necessary to differentiate the 'social' further.

Political or cultural aspects for instance are almost totally neglected to date. The same accounts for the establishment of connections to neighboring disciplines and fields, like the one of psychology with regard to effects on personality building. It seems indispensable to develop (or use existing) measures in these areas, otherwise these aspects will remain limited to anecdotal illustration.

A potential point of departure could be to link this discussion to CSI's conception of the four functions of Social Investment (Then & Kehl 2012, 2011; Kehl et al. 2012).¹

Apart from the rather straightforward economic function, this definition helps to differentiate the social element further as consisting of a social, political and cultural aspects. Using this more fine-grained understanding of the wider social/societal effects might enhance the SROI studies' ability to grasp the latter both more comprehensively and more accurately.

The analysis thus distills into **four key messages** with regard to the advancement of SROI:

1. Be careful with monetization and only apply it where appropriate.
2. Use precise indicator categories that respond to the aspect of quantity (how many people are affected?) and quality (what changes for them?).
3. Make use of/contribute to financial proxy data bases.
4. Enhance measurement of the social elements.

¹ Social Investment is not interpreted in the narrow, merely financial sense here, but as 'private, voluntary contributions to the public good', which e.g. includes the value of volunteering.

2 Outlook on SROI Application in Practice

Spheres of application

With regard to spheres of application and actors involved we have seen that these are still largely limited to the classical fields of application and that many potential new intakes are completely missing.

The provided example of assessing the social impact of a big corporate's child care system is only one area of application in the sphere of CSR. Especially strategic CSR projects (Porter & Kramer 2011) should offer more than enough potential for applying impact assessment. Targeting 'base-of-the-pyramid' (Prahalad & Hammond 2002) activities would even be a way of transferring the tool to the area of development assistance, which is strongly underrepresented.

However, possibilities for the extension of SROI are also to be found in the public sphere, for instance in the area of care homes for the elderly or municipal child care facilities. To date public agencies still seem to be reluctant to serve as the subject of an impact analysis – a circumstance that should be changed.

At the same time public administration is surprisingly active as initiator and funder of SROI analyses. This should be used by Third Sector organizations and others, since illustrating the impact that is being created might result in a considerable boost for their own activities. In particular with regard to scaling interventions (Schmitz & Scheuerle 2011), proof of concept can be a highly valuable asset.

New financial instruments & performance management

This gains importance through the emergence of new financial instruments like the one of Social Impact Bonds (Mulgan 2010; Hollmann 2011; Fox & Albertson 2011). The underlying logic is the following: private investors are encouraged to invest in social projects by the prospect of being compensated by the government (with a premium to their investment) in case the funded project meets or exceeds pre-defined success criteria.

The instrument incorporates a clear performance focus and could become a way to stimulate private financial engagement in the social sphere against the background of limited public budgets. The pre-defined success criteria have a dual function: they limit both public risks and the wasting of public resources. However, they also necessitate instruments to measure success or in other words the created impact. SROI and similar tools might serve this purpose.

Another important aspect with regard to actors and especially the analyzed organizations is that SROI can help establishing a continuous orientation towards impact and performance management. Thus, it is not only interesting for funders and regulators in terms of illustrating results, but also from a strategic management perspective of the individual organization.

To serve this dual purpose, however, SROI is in need of conceptual advancement. Potential pathways to achieve this have been displayed above.

3 Recommendations for SROI Practitioners

It has become evident in our analysis that many SROI calculations are initiated by the individual organizations themselves or fellow nonprofits. In the wake of this development it is to be examined how such organizations can benefit from impact analyses in a long-term perspective.

Since a proper impact assessment necessitates the investment of a fairly high amount of time and financial resources, we cannot expect an institutionalization of periodically revolving impact analyses. However, such analyses can have further impacts than to provide a one-time snapshot of the organization: They might contribute to the implementation of a continuous impact monitoring system.

Surprisingly, the discussions on social impact and social accounting are largely led past each other, although tools, means and ends are intermingled.

In particular for smaller organizations it is going to be difficult to raise the data necessary for an impact assessment, however, some key indicators for documentation and monitoring might be developed more easily. As the terminology already implies this would enable the development of the social counter-part of balance sheet accounting in commercial organizations; figuratively speaking an SROI then represents a business valuation.

Nexus between social accounting and social impact measurement

The accounting and the valuation perspective are mutually reinforcing though. SROI analyses can trigger the establishment of an accounting framework just as they benefit from the existence of the latter as it provides easier access to data.

Therefore, SROI practitioners should not only have the individual study in mind but link the perfor-

med effort to the implementation of an associated accounting framework. Only by doing so, it seems, can social organizations undergo the development that the commercial ones have already undergone in terms of developing standards (Nicholls 2009a).

Model studies for developing standards

In consequence, experiences drawn from past impact analyses should inform the development of a 'social reporting standard' (see Ashoka's initiative on this: <http://www.social-reporting-standard.de/en/>). The generic question about yielded impact and the actual effects the particular organization has triggered can then be addressed more effectively by focused SROI studies.

In order to enable this we recommend that the key constituents in the field come together to provide exemplary model SROIs in selected fields. This multi-stakeholder engagement is shared by the reporting standard initiative just referred to and would yield two major benefits:

First, realizing such model studies collaboratively would lower the associated costs for the involved partners and simultaneously enhance the scope of analysis as well as the institutional legitimacy of the performed assessment.

Second, it would contribute to accelerating the emergence of standard figures as well as standard modes of their application, which has been a key recommendation with regard to 'methodological advancement'.

Taken together this would help to establishing a basis for individual organizations to realize such endeavors, which aim at deriving profound statements about impact with limited resources at hand.

A similar approach has already been applied by the New Economics Foundation (nef). It has published reports which attempt to draw condensed conclusions on SROI in particular fields. These broader thematic reports have been included in our analysis where they sufficiently reflected traits of a systematic, individual SROI study.

However, these reports lack the broad standing and multi-stakeholder involvement we deem necessary to derive institutional legitimacy as well as to derive strong impulses for standardization. Such attempts would have to find the right balance between the level of detail in the examined case and the consolidation of insights in order to inform procedures more broadly.

Advancement of SROI as collaborative effort

Finally, as has repeatedly become apparent, although SROI still mainly is a subject of praxis, it can benefit from a shared discourse and exchange with academia in a major fashion. We hope that this meta-analysis is a good example of mutual learning opportunities and are keen to engage in further discussions surrounding these issues.

This report is not only to be seen as a contribution to advancing methodology. We also see it as a contribution to making SROI and other impact measurement approaches a common instrument informing internal organizational steering, investor decisions and political regulation in the social sphere. All of this would eventually play a role in shifting the prevailing focus on sector origins of organizations to a benefit oriented perspective taking account of a variety of organizations engaging for the public good.

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