

Report on the status of social impact measurement and SROI-analysis in Austria, Bulgaria, North Macedonia and Slovenia

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1 Introduction

The topic of social impact measurement is becoming increasingly relevant in the countries of the European Union. Whereas Great Britain is seen as a pioneer, other countries already followed this trend some years ago or are keen to learn more about its methods.

Social impact measurement has its origin in the social sector. The trend to measure and demonstrate one's own impact has arisen on the one hand through the organisational development of organisations in the social economy and non-profit sector. On the other hand, an increasing number of financiers are interested in the impact their investment achieves.

So far, social impact measurement is mainly a topic in the social economy and non-profit sector. The social economy is a driver for social impact in the European Union. Organisations in this field are active in various areas promoting education, representing and addressing the needs of vulnerable groups, fostering community building and an active civil society and delivering important services in the social sector such as work integration and care. This sector represents various types of cooperatives, mutual societies and other social enterprises, non-profit associations, foundations and civil society organisations. According to the EU statistical data, 2 million social economy enterprises operate in Europe, which represents 10% of all businesses in the EU. More than 11 million people – about 6% of the EU's employees – work for social economy enterprises (European Commission 2020a). Moreover, these entities are the main generators of social innovation as their main objective is the economic, societal or environmental impact for the general interest.

Organisations as mentioned above carry out various activities that usually pursue a higher cause, a social mission set by the organisation. Such social missions can be the integration of people in society, the improvement of quality of life of certain target groups, the building of equal opportunities for specific groups and much more.

Traditional accounting and performance measurement systems mainly focus on output indicators, such as the number of people participating in an activity. However, as mentioned above, activities are not set to reach the highest possible number of service users, but to have a positive impact on their lives. Social impact measurement focuses on exactly these changes achieved in the lives of participants and society in general. Thus, its focus aligns with the mission of organisations in the social economy and civil society, also called purpose-driven organisations. Therefore, social impact measurement is an appropriate tool to analyse and understand your own effects and to measure your success in achieving the own mission. It can serve as a controlling tool and stimulates organisational development.

On top of that, social impact measurement helps organisations to communicate the impact they have on society. This is especially important for investors like the public financiers, donors, foundations or private investors who are increasingly interested in knowing what is achieved through their investment.

Although social impact measurement has a higher prominence in the non-profit sector, it starts to be relevant for profit-oriented organisations as well, which are increasingly challenged by law but also by society to demonstrate whether they act socially responsible. Corporate Social Responsibility has found entry into larger companies and a growing number of consumers is interested in social standards and environmental impact.

There are various methods of social impact measurement and the social return on investment (SROI) analysis is one of it. In essence, it relates the effects achieved by an activity, a service area or an entire organisation to the resources invested. The invested resources as well as the achieved effects are valued

in monetary terms. This results in a key figure that indicates how much social added value is created by every single euro which is invested.

The following report was created within the framework of an Erasmus+ project called "Social Return on Investment: Enhancing knowledge and skills for social impact" by its project partners: the Competence Center for Nonprofit Organisations and Social Entrepreneurship at Vienna University of Economics and Business in Austria, Business Information and Consulting Centre – Sandanski (BICC) in Bulgaria, Idea O.K. Training & Consulting and the Economic Chamber of Northwestern Macedonia – Oda Ekonomike e Maqedonisë Veri-Perëndimore – in North Macedonia and the School of Economics and Business at University of Ljubljana in Slovenia.

The aim of the project is to increase the awareness and understanding of SROI as an impact measurement approach, improve the evidence base of impact created by social enterprises, non-profits, public institutions and companies and improve the transparency in reporting on their impact.

This aim will be achieved by specific objectives:

- to provide - develop, test and pilot - an innovative educational and training programme based on real needs skills assessment of staff members as well as organizational practices related to practicing social returns on investment;
- to create and pilot an educational online platform for continuing and self-guided learning/training process

As a basis for these activities, the following report assesses the current state of play of social impact measurement and SROI practices in public administration, non-profit organisations and companies in the countries of the project partners – Austria, Bulgaria, North Macedonia and Slovenia.

In order to design a training curriculum that meets the needs of organisations in Central and Southeast Europe the present approaches in accountability and performance measurement and the current understanding and perception of social impact were analysed. Moreover, we assessed the knowledge and experience on social impact measurement and SROI analysis and surveyed the expectations and needs for a training on social impact and SROI in particular.

After a short introduction to social impact measurement and SROI analysis, the results for each country will be presented in individual national reports that are based on a literature review, qualitative interviews and focus groups with representatives of organisations as well as on expert interviews with SROI practitioners. Finally, recommendations for an SROI training programme are derived from the national reports.

2 Introduction to Social Impact Measurement and SROI Analysis

Dr. Christian Grünhaus/Olivia Rauscher/Constanze Beeck

2.1 WHAT IS SOCIAL IMPACT?¹

Every alteration of a situation can result in an impact and basically every activity causes an impact, also dismissed activities may unfold impact as Schober/Rauscher (2014) state. Nevertheless, what is a social (core) value? This will be the case if the change has targets, which are especially relevant for society. Those targets are mostly codified as basic social values and listed in constitutions or stated in fundamental rights catalogues. However, social values and goals can also be understood as an aggregate of individual needs. For example, every person has a certain individual need for security, which is reflected in the basic values "right to life" or "right to physical integrity" at the level of society as a whole.

Basic social values (e.g. freedom or tolerance) and individual needs can thus be the basis for a need that can be met by services from organisations, companies or institutions. Services are not only traditional services and products but also activities such as representation of interests that lead to social value.

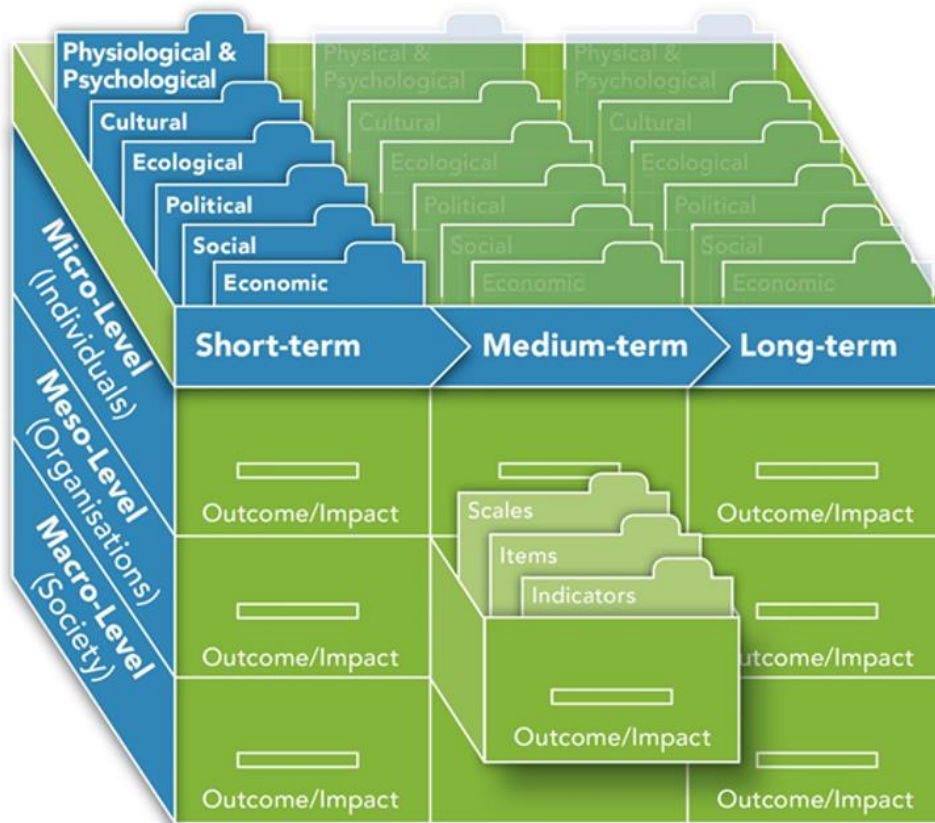
Technically seen, societal targets can be achieved in two ways. The first way is to evoke change directly at a structural macro level and hence affect institutions, values and norms. Secondly, through change at an individual level, which are consequently impacting socially through their considerable meaning for many individuals.

The voluntary establishment of barrier-free habitation and production sites can be named as an example for societal impact on an individual level. Individual demand for barrier-free living space exists and is thus satisfied by these offers. As a consequence, people with disabilities can integrate better into society, what in turn contributes to the core values of equality. Another example, the UN Convention on the Rights of Persons with Disabilities is set at the societal macro level. Here, amendments of legal norms were reached through representation of interests. They now, for example, require that handicapped persons are enabled to live independently and to be able to fully participate in every area of life (Article 9 Para.1). The just mentioned barrier-free habitation and production sites derive from that. This way the rather abstract norm has impact from the macro level directly into society and evokes changes on organisational and individual levels.

This example shows that social impacts can occur at structurally different levels (micro, meso and macro levels), but can also take on different dimensions. They can have a cultural, political, social, economic, ecological, psychological and physiological dimension. In terms of time, services can have short-term impacts immediately after implementation, but also medium and long-term impacts. The impact box (see Figure 1) is suitable as a strategic and analytical tool for building a more complex impact model and for presenting and communicating it in a more differentiated way.

¹ Source: Grünhaus/ Rauscher (2020): What is Impact? Social impacts of (Non-profit) organisations. Forthcoming working paper.

FIGURE 1: IMPACT BOX – LEVELS OF IMPACT CONSIDERATION



Source: Schober/ Rauscher 2020

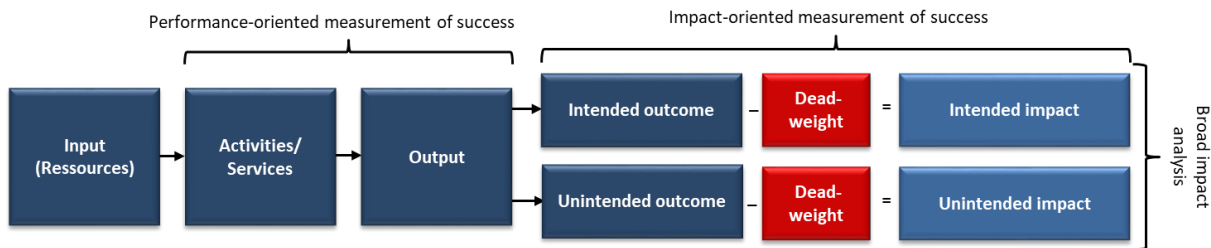
2.2 SOCIAL IMPACT MEASUREMENT

The keywords impact, impact analysis, impact measurement and social impact are now widely used. As Schober/Rauscher (2014a) show, the topic of impacts and impact analysis is discussed in evaluation research, in the field of accounting, environmental and social impact assessment, NPO research, in connection with social entrepreneurship and with regard to the topic of Corporate Social Responsibility (CSR) or ethics in companies. Many organisations and companies try to present their added social value to society.

However, there are a number of analytical methods that claim to identify and/or measure and/or evaluate social impacts. Some of these methods derive from completely different traditions or thematic areas and therefore have different focuses in terms of content and concept. Grünhaus/ Rauscher (2020) provide an overview of selected methods.

Many methods are based on the concept of impact chains. An example for such an impact chain is shown in the figure below.

FIGURE 2: IMPACT CHAIN



Source: Grünhaus/Rauscher 2020

In order to achieve a mission, resources invested in an organisation (**input**) are regularly used to set up activities that produce **services** of various kinds. From this, the differences between services and impacts are already visible. As a rule, services are not created as an end in themselves, but serve to achieve the impacts defined in the mission. Impacts thus unfold from the creation of services. The **output** represents the extent of the services rendered. For example, if the service is a consultation, the output is the number of people consulted or the number of consulting hours.

In contrast, **impacts** are defined as those positive and/or negative changes that can be observed in beneficiaries, affected persons or in the environment after the activity or service has been performed or consumed (e.g. people, groups, society). Impacts can be intended or unintended. If they are intended, i.e. essential for the desired success, they are planned, goal-oriented actions. If they are not intended, they can nevertheless be significant and have a positive or negative influence on the overall impact of the activities or services performed. This is of central relevance with regard to the type and breadth of any impact analysis. If the focus lies only on intended impacts, the approach is goal-based. This inevitably has a narrower focus and can only make statements on individual impact dimensions. Moreover, (impact) goals are usually established along desirable categories and negative impacts are consciously or unconsciously disregarded.

Deadweight refers to those impacts that would have occurred anyway, even without the concrete activities. In this context, evaluation literature also refers to the programme impact (Rossi et al. 2004: 207) or counterfactual evaluation. Consequently, these impacts must be subtracted from the gross impacts in order to finally obtain those impacts that are generated exclusively by the organisation or project.

Only if unintended and also negative impacts as well as the deadweight are included in the analysis, a comprehensive assessment, in the sense of an overall impact assessment, can be assumed. A broad impact analysis therefore always includes considerations of the intended and unintended impacts. The SROI analysis is such a broad form of impact analysis.

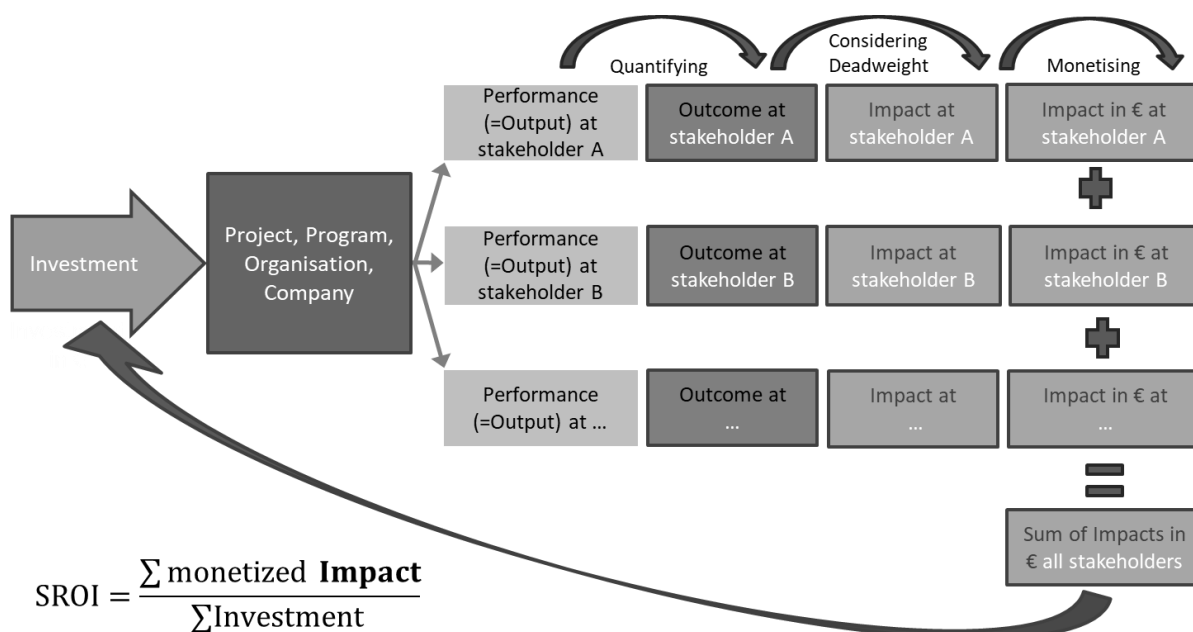
The outlined impact chain should be created for each stakeholder of the analysed project, programme or organisation. This logical chain shows what a stakeholder invests (input), which activities are carried out with the resources, what output is produced with them and which impacts (gross and net) impacts are ultimately achieved for the stakeholder. The sum of the identified stakeholder impact chains represents the impact model of the analysed organisation or project.

2.3 SOCIAL RETURN ON INVESTMENT ANALYSIS

The SROI analysis is currently a very widespread form of a comprehensive impact analysis. As part of an SROI analysis, a causal impact model is created for a specific project, programme or organisation. The impacts identified in the individual impact chains are measured and, where possible, monetized.

The core of the SROI analysis is the approach of juxtaposing, as far as possible, monetary effects of all possible interventions, activities, projects, programmes or organisations with the capital invested there. The result is presented in the form of a highly aggregated key figure, the so-called SROI value. This approach focuses heavily on the stakeholders, who receive a concrete service, which in turn triggers impacts. The following figure shows this basic relationship.

FIGURE 3: SROI ANALYSIS AT A GLANCE



Source: Then/Schober/Rauscher/Kehl 2017: 15

Specifically, a certain amount of money flows into a certain analysed organization. These investments are used to provide services for various stakeholders. However, the services provided are not an end in themselves, but rather make a difference. The impacts must first be identified and then quantified in the SROI analysis.

The quantified effects are then evaluated in monetary units in an SROI analysis using a variety of methods. Schober (2015) gives an overview of common methods. The model thus explicitly attempts to include non-pecuniary impacts, such as the experience of a feeling of security or the acquisition of intercultural skills.

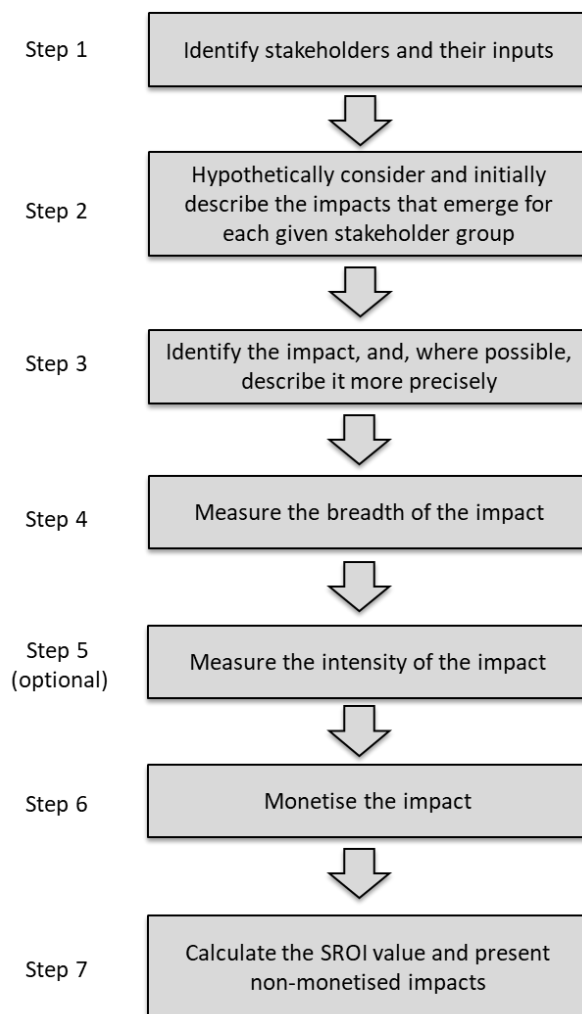
In principle, when identifying, quantifying and monetarizing impacts, it is always important to consider whether, in the event of the non-existence of the observed intervention, alternative options would have existed that would have produced the same or similar benefits and impacts.

Once the net impacts of the stakeholders have been collected and monetized at the end of the analysis, they are added up and compared with the invested, usually financial, resources. This results in the **SROI value**, which indicates the social return or profit or, in other words, added value for society.

The approach of the SROI analysis is similar to conventional cost-benefit analyses (CBA), which in some forms also represent benefits in monetary units (cost-benefit analyses). However, an SROI analysis is much broader and explicitly considers social impacts of a number of stakeholders, whereas CBA focuses primarily on individual impact dimensions and stakeholders.

The SROI analysis described here is based on the following approach proposed by Schober/ Then (2015: 221). The focus of this model is on the stakeholders and the impacts generated for them by the organisation. This entails the following:

FIGURE 2-1: BASIC STEPS OF AN SROI ANALYSIS



Source: Then/Schober (2015: 221)

First, the relevant stakeholders of the project, organisation or company under consideration are identified and their input is determined. Then, hypothetically and on the basis of previous knowledge and existing literature, it is considered which positive and negative social impacts could occur among the stakeholders. In qualitative surveys, often conducted by means of guided interviews, it is ascertained whether the presumed impacts actually occur and what other impacts, if any, exist. In further steps, the impacts are quantified and monetized. In order to measure and monetize the impacts, meaningful indicators are assigned to them and data are provided. In this step, verbally described impacts are "translated" into various indicators. So-called "proxy indicators or proxies" are often used, which attempt to quantify or monetize the impacts in an approximate way. Proxies are auxiliary constructions that do not represent directly measurable and/or monetizable variables as accurately as possible.

At the end of the SROI analysis, the monetarized impacts are aggregated and compared to the input to show the SROI value. An SROI analysis can be carried out in a future-oriented way, in the sense of a forecast, or in a past-oriented way, in form of an evaluation.

SROI analyses help organisations like non-profit organisations, the public administration or companies to better understand their own impact logic, to redevelop their own strategy and to communicate their impact more easily for legitimacy purposes.

3 Social Impact Measurement in Austria

Constanze Beeck/Dr. Christian Grünhaus

3.1 INTRODUCTION

The aim of this chapter is to provide an overview of the current situation on the topic of social impact measurement and SROI analysis in Austria.

The data collection results from semi-structured interviews with persons who have conducted SROI analyses in Austria and a literature review consisting of areas in which SROI analyses have been performed in Austria in the last five years (e.g. social sector, governance sector, public administration, private sector) as well as from conceptual and methodological developments on the topic.

3.2 ACCOUNTABILITY AND PERFORMANCE MEASUREMENT

In order to assess the status of social impact measurement in Austria, the first step is to analyse to which extent social value is included in the accountability and performance measurement of organisations in the public administration as well as in profit and non-profit organisations.

Public administration in Austria is based on a federal as well as on a regional or communal level. Public organisations in Austria are formally accountable to the parliament and therefore indirectly also towards the voters, but primarily they are accountable to various interest groups.

On the **federal level**, social impact is embedded in the Austrian principles of the constitution. In Austria, basic rights, here mostly as constitutionally guaranteed rights, are anchored as various federal legal regulations with constitutional status (Öhlinger, 2009). Furthermore, the catalogue of fundamental rights of the Basic Constitutional Law on the general rights of citizens of 1867 and the Convention on Human Rights have constitutional status. Catalogues of fundamental rights in particular can provide information about generally accepted fundamental social values. Such social values are for example social inclusion, liberty and justice.

Moreover, the Austrian government established an impact-oriented budget management in the public sector in Austria. This aims to demonstrate achievements in society in the medium and long term. Within this framework, each federal ministry defines impact goals and indicators to measure these goals for its work. These impact goals are the starting point for the annual work programme in Austrian ministries and departments. The actually achieved results are reported annually to the National Council since 2014 (Bundesministerium für Kunst, Kultur, öffentlicher Dienst und Sport, 2020). The indicators defined to measure such impact goals are mostly output-oriented and have limited information on the actual effects at the societal level. However, the federal government is making efforts to use more impact-oriented indicators and is thus currently revising them.

At the **regional and communal level**, each region has different objectives and procedures. For example, Vienna has its own framework strategy and applies the Smart City Programme, which focuses on current global challenges and thus defines and shapes policies for the upcoming decades (Stadt Wien, 2020). In principle, however, all federal states have individual state constitutions that differ in content and topicality.

Due to a very pronounced federal system in Austria, the design of the performance measurement systems in the federal states varies greatly. Some regions include impact-orientation in their performance

measurement whereas others only focus on output indicators, such as the number of cultural events or number of people taken care of in homeless shelters.

In summary, public organisations in Austria, both at federal and at provincial or local level, pursue the production of public goods. They thus also aspire social impact, even if this is not explicitly expressed in their mission.

Large companies usually pursue financial return but clearly include social impact in their mission statement or vision. For example, the Vienna based construction company Wienerberger states: "Our mission is to improve people's quality of life with our building material and infrastructure solutions" (Wienerberger, 2019). Further, the energy company EVN describes their vision as follows: "As an energy and environmental service provider, we cover the central daily needs of our customers and make a sustainable contribution to their quality of life through our reliable and high-quality services" (EVN, 2020).

Nevertheless, companies mainly monitor, control and evaluate their activities by financial key performance indicators. For most shareholders, a solely financial perspective is usually sufficient. However, the European Union as well as customers are becoming increasingly interested in the ecological and social effects of business activities. Nowadays, EU law requires large companies to disclose how they are addressing social and environmental challenges. Since 2018, large companies need to include non-financial statements in their annual reports due to the EU directive 2014/95/EU (European Commission, 2020). While customers have been committed to sustainability aspects for some time now, social issues also gain relevance. Companies counter this trend by implementing CSR (Corporate Social Responsibility) activities by establishing foundations or by supporting various initiatives that create social impact. Companies often report such activities in annual sustainability reports. In those reports, the value chain is usually analysed in terms of ecological aspects, while social responsibility is often represented by supporting charitable initiatives. Medium-sized companies publish such reports only sporadically. Most SMEs (small and medium-sized enterprises) hardly or do not at all set up such reports or their publications are only very informal and unstructured.

In Austria, family businesses and SMEs are less accountable to the general public than large corporations. However, they are much more accountable to their employees and the surrounding community. The creation of social impact is an important driver alongside financial aspects for such companies. However, family businesses and SMEs often focus on financial indicators in their performance measurement and do not communicate the social impact created to the public. Their communication is often very informal and unstructured.

Social enterprises are hybrids between non-profit and profit organisations and usually SMEs. The creation of social impact is a key component of their company mission but they strive for financial profit as well. Social enterprises have a high awareness on social impact measurement. They need to differentiate themselves from traditional profit oriented companies and communicate their social impact to their customers very clearly. Although social enterprises often do not have to provide sustainability reports, they try to develop indicators to measure their social impact and communicate their success by PR and advertising activities, on social media or on their website.

Compared to public or profit organisations, all **non-profit organisations** (NPOs) in Austria have an official "non-profit status" (German: "Gemeinnützigkeitsstatus") and have to stipulate their social mission in their statutes if they want to get tax benefits. It is central for NPOs to measure and communicate their social mission and their success in achieving this social mission. In Austria, the public sector, donors (incl. foundations) but also members play a major role when it comes to accountability. As many activities of NPOs are partly financed by public funds, NPOs also have a high accountability to the general public.

Many public donors, in particular, have precise guidelines on how activities and the social impact creation should be measured and communicated. There are efforts to establish impact-oriented indicators, but still

input or output indicators are widely used. Efficiency is more in focus than effectiveness. There is often a lack of knowledge on how to measure social impact on a regular basis without investing too many resources in performance measurement. In addition to performance measurement systems requested by funding bodies, NPOs try to report their social impact to maintain or receive funding and to develop themselves strategically. Therefore, they often cooperate with universities and consultancies in the field of social impact measurement. Many NPOs would like to commission more impact-oriented evaluations, but are not able to do so due to a lack of financial resources.

The trend towards impact measurement can be definitely seen in annual reports of NPOs, although there is still a need to catch up in terms of measuring and communicating outcome and impact. In any case, the tendencies towards economisation of the third sector are clearly visible in annual reports. The communication of social impact in the annual reports of NPOs is mostly addressed to external stakeholders (i.e. donors, funding agencies, cooperation partners, but also beneficiaries and relatives). The communication of social impact in reports is mainly performed through storytelling. This linguistic tool is used to present the social impact created at an output or impact level and for generating feelings of concern or compassion among readers (Herzog, 2019).

In summary, current performance measurement systems in Austria still focus mainly on financial key performance indicators, especially in companies. The public administration tries to build up controlling systems that focus on social impact in a broader context but in reality is still controlling by costs and less often by output. NPOs have a high awareness regarding social impact measurement but are often restricted to performance measurement systems imposed by donors. Also, they might lack the know-how on how to include social impact in a regular performance measurement. However, all organisations are accountable to the public that increasingly demands a consideration of an all-encompassing social impact.

3.3 THE UNDERSTANDING AND PERCEPTION OF SOCIAL IMPACT

In literature, a wide variation of definitions of social impact exists (Woerrlein/Scheck, 2016). This inconsistency is also reflected in the diverse understanding of social impact in Austria between individual organisations. For all three sectors, the description of social impact is difficult, since the German word "sozial", i.e. "social", differs within the sectors from the everyday meaning of social. In Austria, the term social is often used in connection with welfare and people depending on it and less to describe social impact in a broader sense.

Public administration understands social impact primarily as economic growth, prevention of unemployment, a functioning welfare state, the provision of social services or the distribution of transfer services. Secondly, social impact is understood in the sense of social sustainability and thirdly as ecological sustainability. For example, in Austria's public administration, the Sustainable Development Goals have been increasingly considered in recent years. However, the awareness of social impact created is very much linked to the responsible department (e.g. social affairs, health, defence, police, etc.).

For **profit organisations**, the term social impact usually means the provision of goods and services, the creation of jobs and economic growth as well as paying taxes and the donation of money or other CSR activities. Companies focus primarily on the economic survival of the company, followed by profit and financial success. Only after that, the creation of social impact in a broader context as understood in the context of this report is a goal of a profit organisation.

Nonprofit organisations have the creation of social impact anchored in their specific field of activity. All in all, they often focus on increasing the quality of life of people by promoting self-determination, education, health, personal development, social networks, decreasing poverty and much more. NPOs concentrate primarily on their target group in their perception of social impact and less on other stakeholders. Also for NPOs the survival of their own organisation comes first and plays the most important role. How-

ever, the social impact takes second place and is only then followed by financial success. Above all, however, NPOs are mostly implicitly aware of the social impact they create, primarily in terms of their main mission and without the consideration of deadweight. Further, they often do not measure their social impact quantitatively.

In summary, public administration, profit and non-profit organisations have no common understanding of social impact. Whereas the public administration associates a functioning economic system and welfare state with social impact, NPOs associate specific changes in the life of their target groups with it. Companies often consider the provision of goods and services as well as jobs as social impact. However, the survival of the organisation is essential for both non-profit and profit organisations.

3.4 KNOWLEDGE AND EXPERIENCE ON SOCIAL IMPACT MEASUREMENT AND SROI ANALYSIS

In the following chapter, the level of expertise that already exists in the area of social impact measurement and SROI analysis in Austria is discussed.

Public administration has only little knowledge in the field of social impact measurement. It therefore commissions consultancies or cooperates with universities in the field of impact measurement in order to gain a better understanding of social impact measurement and SROI analysis. For example, the University of Economics and Business in Vienna conducted various SROI analyses for public administration and holds lectures which are also attended by civil servants.

In the **profit sector**, SROI analyses are rather unknown. Social Impact Measurement on the other hand is better known and already established through sustainability reports and CSR. However, companies rather use reporting systems like the IRIS+ rating system or the Global Reporting Initiative. On top of that, some smaller businesses in Austria use the economy of the common goods as a rating and reporting tool that takes social impact into account. In the profit sector there is a certain scepticism towards SROI analyses because the comparability of such analyses is often questioned.

The **non-profit sector** in Austria already gained some experience with social impact measurement and SROI analysis, especially through studies, workshops and lectures at the Vienna University of Economics and Business. The Competence Center for Nonprofit Organisations and Social Entrepreneurship at the Vienna University of Economics and Business conducted around 15 SROI analyses for the non-profit sector in Austria in the last years (see: <https://www.wu.ac.at/npocompetence>). It is the leading institution for developing SROI in Austria. This sector is highly interested in social impact measurement but lacks the knowledge, expertise and resources to include social impact measurement in their regular monitoring and controlling.

In sum, the three sectors have some experience with social impact measurement but none of the sectors has profound knowledge on the measurement of social impact.

3.5 TRAINING ON SOCIAL IMPACT MEASUREMENT

This chapter focuses on the trainings needed in the field of social impact measurement and SROI analysis in Austria as well as on the format and design of such trainings.

Potential participants of social impact measurement trainings coming from public administration are primarily those responsible for funding programmes, but also groups or team leaders from the social and health sectors. In the profit sector, controllers, sustainability managers, CSR managers, members of corporate foundations, open-minded CEOs and social entrepreneurs are identified as a target group. In contrast to that, in the non-profit setting, quality and divisional managers, people responsible for the reporting of large NPOs, managing directors of small NPOs as well as representatives of umbrella organisations on social issues are potentially interested parties.

In Austria, potential participants of such trainings, especially those coming from the public administration and the profit sector, are interested in standards and benchmarks in the field of social impact measurement. Both groups of participants are interested in impact-oriented controlling and need clear instructions and checklists that can be implemented without much effort in existing systems. NPOs are interested in the current standards of social impact measurement, especially when dealing with standards or expectations coming from funding agencies. Moreover, they are interested in methods for social impact measurement that are well implementable in practice and they need know-how on measurement of social outcomes. In some fields, NPOs in Austria are very sceptical regarding the monetisation of social impact. Such NPOs would be interested in methods of demonstrating their social impact without monetising it. Other NPOs are very interested in SROI and would be able to calculate an SROI themselves. Finally, NPOs would like to learn about good-practice examples and share experiences with the resonance to social impact measurement or SROI.

Experiences with workshops in the field of social impact measurement and SROI in Austria show that single sessions of trainings should be organised in a compact time frame. There should be short overview lectures followed by longer optional sessions. Usually, participants prefer half-day workshops. Moreover, the training should be a combination of online and offline modules and should above all include examples of applications. Additionally, participants expect to receive guidelines and instructions to work with in their own organisation. An applied workshop series in which, after a methodical input, the participants could work on SROI analyses of their own programmes or projects, under the supervision of trainers, would be desirable.

The training format should allow both hosting it as an in-house training in a specific organisation as well as a training with participants coming from different ones. In-house trainings can be adapted more individually to the respective organisation and can be specifically tailored to its needs. An open training with participants of various organisations on the other hand allows more exchange, which should be an essential part of the training. In such a format, it is however difficult to focus on concrete application examples. Therefore, a good solution is a sector-specific format with a realistically small number of participants to enable practical applications and interactivity. Also follow-up meetings and exchange with other organisations are important to get to know the approaches of other organisations and to learn from each other. In sum, a training on social impact measurement should be designed as a modular system, which can be adopted to the needs of the participants, for example to the needs of a specific organisation, a specific field or to a heterogeneous group.

3.6 CONCLUSION

In Austria, there is an awareness on social impact measurement especially in the public and non-profit sector. However, all sectors show a lack of know-how on how to define and measure social impact.

Further steps towards standardisation and benchmarking are necessary, as well as the definition of indicators for impact-oriented management. Awareness of the potential of impact-based management must be created so that financial resources are more often distributed according to effectiveness rather than efficiency.

There is a particular ambivalence towards SROI in the non-profit sector and little resources to conduct SROI analyses on a regular basis. Therefore, a training on social impact measurement should examine other methods of impact measurement besides the SROI as well. In this context, it would be important to teach easily implementable and simple methods of impact analysis and presentation of social impact as well as models that are more complex. In Austria, compact workshop formats are generally preferred in the field of social impact measurement. However, in order to be able to convey sufficient content, a modular course is required.

4 Social Impact Measurement in Bulgaria

Plamen Todorov

4.1 INTRODUCTION

The main objective of the current research sample is to provide an overview of the existing knowledge, awareness, as well as the specific understanding on the area of social value, social impact awareness and social return on investment. As the latter is still very unclear and unknown to the majority of stakeholders in Bulgaria (i.e. public, private and non-profit), the research team has strived to involve a diverse number of representatives of the three sectors. In this sense, the research team has attempted to analyse the different understanding of the aspects of social impact and SROI from the point of view of the public, private and non-profit sectors.

The research findings are based on data from desk research of existing online and paper sources, as well as on information gathered through semi-structured interviews with representatives of the public, private and non-profit sectors in Bulgaria. The literature review has studied the context of social impact and social impact measurement as defined in the key strategic and legislative documents in Bulgaria, such as the National Strategy for Corporate-Social Responsibility 2019-2023 (2018), the Social and Solidarity-based Enterprises Act (National Assembly 2018), the National Social Economy Concept (2017), the National Corporate Social Responsibility Strategy 2019 – 2021 and other relevant research papers, reports and strategies produced by various profit and non-profit organisations.

In the quantitative phase of the research, the research team aimed to involve interviewees with homogeneous knowledge and experience in the area of social impact. However, this task proved to be rather difficult due to the different understanding or the lack of knowledge on the topic of social impact and particularly social return on investment. Due to the ongoing Covid-19 pandemic and the relevant restrictive and social distancing measures, the research team has implemented ten face-to-face and online interviews with representatives, experts and managers of private companies, academia community, social enterprises, NPOs, business support organisations and chambers of commerce.

It should be noted that despite the existence of a large number of strategic documents and papers, the concrete activities related to social economy development and provision of support to key participants and stakeholders in it are somewhat chaotic and mostly conducted “on paper”. Apart from the public institutions and the large enterprises (with more than 500 employees), which are obliged by the administrative and regulatory framework to present their socially related activities, the majority of SMEs (which constitute for 99% of the Bulgarian economy) are not aware of their social impact and how to manage, measure and report it. Non-profits and social enterprises are the most knowledgeable when it comes to understanding social impact, but still feel unconfident in terms of measuring and reporting it.

As a result and due to the relatively low level of awareness on the topic, the social impact and its measurement (social impact and SROI) are unknown and under-recognised among Bulgarian stakeholders of both the public and the private (non-profit) sectors. The majority of participants in the research process have expressed their particular interest and motivation to familiarise in details with the terms social impact and SROI and increase both their basic and more-in-depth understanding and knowledge on the topic as this will allow them to better manage, valorise and promote the social outcomes of their organisations’ activities and primary mission.

4.2 ACCOUNTABILITY AND PERFORMANCE MEASUREMENT

Based on the Constitution of the Republic of Bulgaria, **public administration and institutions** operate in compliance with the main principles related to the Rule of Law, equality, accountability and transparency, responsibility, effectiveness and efficiency, comprehensiveness and strategic vision. Depending on the scope of their operation (i.e. local, regional or national), public institutions/administrations are obliged to be fully accountable and transparent to the society and communities where they operate. Additionally, the public institutions are accountable to their founders, i.e. the state, the parliament, the Council of Ministers, individual ministries, etc. However, there is no universal standard or a reporting framework to go along with, following the existing good European practices in the field. According to the law on public administration, each public administration/structure (i.e. the ministries, state commissions, state and executive agencies, regional administrations and councils) shall prepare an annual activity report, outlining the achievement of the strategic goals and priorities set in accordance with the programme of the relevant administration/institution. These reports shall be made public on the internet sites of the respective administrative structures, annually not later than on 28 February. **At the local level**, the municipal administrations are accountable to the city councils and the local community, through annual reports. However, these are mostly focused on the transparency of the budget that has been spent throughout the relevant year. Only a small number of municipalities and local governments invest time and resources on preparing detailed, non-financial reports, describing the outputs and achievements that have been realised on an annual basis. Only a few municipalities and regions have introduced a functioning performance measurement mechanism.

Despite the significant deficit of the Bulgarian legal framework on the right of access to information, there are positive developments related to the ever-increasing proactive publication of information on the websites of obliged institutions, development of open data and transparency portals, local consulting and public accountability forums, social media-based campaigns, etc. According to the Public Administration Development Strategy of Bulgaria for the period 2014 – 2020 (2014), the quality of public administration has a direct impact on the economic environment. It is a crucial factor for promoting productivity, competitiveness and economic growth. Accountability and transparency are one of the fundamental principles of good governance that citizens expect. However, the majority of institutions have invested mostly in activities related to transparency of data, rather than on accountability, although it might be considered that both terms are more or less identical.

Public enterprises (i.e. energy operators, critical infrastructure, financial institutions, etc.) are obliged to publish annual non-financial information and reports to their stakeholders and the society such as data and description on their environmental and socially beneficial activities. **Large privately-owned companies** with more than 500 employees are also obliged to report on their activities and policies related to social development and environmental protection on an annual basis. The majority of these companies are also required to report to their stakeholders and the communities where they operate. Most of these large corporations have Corporate Social Responsibility (CSR) incorporated into their management policies and practices. **Micro, small and medium-sized enterprises (SMEs)** are mostly focused on delivering their financial reporting and rarely account to the public and the community/society where they operate. Accountability and performance measurement in SMEs is directly linked to the introduction and awareness of CSR policies and practices. Similar to other countries in the European Union, the society and stakeholders are becoming more interested in the adopted environmental and socially beneficial practices of SMEs. However, only large companies in Bulgaria tend to publish reports on their social and environmental actions, mostly as part of their CSR strategies. In any case, micro-companies in Bulgaria seem to be the most engaged in the so-called "silent CSR" (Moretti, 2004), as they recognise the community as their primary stakeholder.

Social entrepreneurship should be examined as a separate form of economic field as it is entirely aimed at the creation, operation and development of social enterprises. In Bulgaria, social entrepreneurship is still at an early stage of development. However, there are already more than 4,700 organisations

that identify themselves as social enterprises. Until recently, social entrepreneurship was almost unregulated and only at the end of 2018, the Law on Enterprises of the Social and Solidarity Economy (LESSE) was adopted. Although this concept is rather new for Bulgaria, in the past several years there have been many new initiatives and supporting mechanisms that have fostered the uptake of social enterprises in various fields. Social Enterprises are one of the most active entities in terms of accountability and reporting of their impact, mostly among the communities and target groups where they operate. Based on the adopted legal form of social enterprises, there are various legal requirements related to their accountability and reporting. Social enterprises registered under the Law on non-profit legal persons (LNPLP) are non-governmental organisations performing economic activities having markedly social effects on people from vulnerable groups in the broadest sense. Therefore, they are obliged to publish their annual reports in accordance with the LNPLP. A cooperative registered under the Act on Cooperatives can also be defined as a social enterprise if it meets social enterprise standards as established in the LESSE. Social enterprises registered under the Act on the Integration of People with Disabilities are mainly cooperatives whose transparent and democratic management principles make them particularly appropriate forms of entrepreneurship in the field of social integration. In addition to the official obligations, related to annual reporting of their activities, being mostly funded through external financial donors and programmes, the majority of social enterprises account for their work and impact by organising various information days, public awareness campaigns and initiatives, fundraisers, media campaigns, project funded events and activities, etc.

Non-profit organisations (NPOs) and other Civil Society Organisations (CSOs) in Bulgaria are established for both private and public benefits. As the majority of NGOs are constituted for the public benefit, they operate in accordance with the Act on Non-profit Legal Persons (ANPLP). Most public donors and funding programmes have very demanding requirements in terms of transparency, sustainable development and equal opportunities. This implies a high level of accountability for non-governmental organisations which are monitored very strictly in terms of activities, spending and sources of funding. Therefore, NGOs' accountability to the public could be evaluated as very high, and they are usually considered as the most transparent entities. However, in many cases, annual reporting of NGOs is done due to legal requirements and not on the demand of stakeholders or society. On the other hand, large NGOs (i.e. active in the field of social services and environmental protection) and foundations or fund operators (registered as foundations or NGOs) produce detailed reports on their activities, outcomes, environmental and social impact. These are usually promoted through their media partners and online on popular websites and social media pages.

4.3 THE UNDERSTANDING AND PERCEPTION OF SOCIAL IMPACT

Similar to the other countries participating in the research, the understanding of social impact varies among organisations and institutions in Bulgaria, and it is directly related to the sector which they belong to and the services that they provide.

In recent years, **public administration and institutions** are facing various challenges related to both the fiscal constraints, resulting from the economic realities in the country, the different administrative and political requirements, resulting from the membership of the country in the European Union. On the other hand, the demand for higher-quality public services has been growing. The expectations of society are increasing, not only in terms of quality of public services but also in terms of the level of transparency and accountability of the public institutions. In this aspect, Bulgaria is one of the 62 countries participating in the "Open Government Partnership" initiative, launched in 2011, and has to apply the four fundamental principles of open government – transparency, citizen participation, accountability and technological innovation. Opening access to public data has also facilitated and fostered the participation of civil society in political life and will contribute to many policies such as health, education, environment, transport, etc. The social function is a vital and structural element of public administration. According to reports of the Institute of Public Administration, there are particular examples of good practices and initiatives related to adopting private sector CSR practices among large public enterprises and the bodies of

the central and local administrations. At present, two projects are active with the goal of implementing the Common Assessment Framework (CAF) in the Bulgarian administration with the aim to introduce the principles of the organisational excellence and increase the efficiency in public administration. As part of the projects, 32 administrations and public entities are currently implementing CAF and more than 900 public administration employees have been trained in the introduction and implementation of the framework.

Based on the results of the conducted desk research and interviews with representatives and experts of public institutions and administrations it can be concluded that the creation of social impact is considered as one of the primary objectives of public administration and institutions. Public institutions are well aware of the social impact that they create in terms of improving the overall quality of life of communities. However, the majority of the interviewed experts highlighted that they are not very familiar with the exact methods on how to plan, manage and measure social impact. Another finding from the existing informational resources (i.e. strategies, white paper and reports, etc.) related to improving governance (both national and local) of Bulgaria was that social impact and the more general term "social benefit" is embedded by default in the mission of each public institutions. Only one of the interviewed experts has heard of CAF and its underlying principles. Additionally, measuring and reporting of social impact (e.g. SROI) is something that all interviewees have not been able to explain based on their professional experience and level of knowledge.

Similar to the rest of the countries participating in the research, the social impact and its perception and uptake in **private (for-profit) companies** are very much related to the level of corporate social responsibility of the respective enterprise. In recent years, CSR has emerged not only as an abstract concept but as an important corporate policy for many (especially larger) enterprises. Recent studies have shown that the most important aspects and challenges related to CSR among Bulgarian companies are linked to environmental protection, transparency and accountability towards society. Larger companies and corporations (i.e. banks, broadband and mobile operators, mining companies, energy providers, etc.) have adopted the relevant standards for implementing and reporting CSR and sustainable development goals (i.e. G3.1, ISO 26000, SA 8000). According to data of the Bulgarian CSR Association, 53 large companies have pledged to follow the officially adopted National Code for Corporate Social Responsibility.

Furthermore, the latest State of CSR in Bulgaria Annual Review (Stefanova, 2019), shows that CSR is becoming both a must and a necessity for Bulgarian companies. However, it remains a serious challenge to integrate CSR practices and standards into their corporate strategy, philosophy and culture. The report highlights the positive tendency that the leading employers (both public and private) gradually integrate the UN sustainable development goals into their strategic plans and policies. The COVID-19 pandemic has additionally influenced this tendency. Moreover, almost 50% of all large companies that have introduced CSR are actively promoting their engagements, connected with the Sustainable development goals. Stakeholders are increasingly showing interests in non-financial disclosure reporting. The results of the Corporate Social Responsibility in Bulgaria: The Current State of the Field Report (2019) show that 50% of Bulgarian companies experience some impact from stakeholders engagement on non-financial information disclosure. These stakeholders are mostly investors and rating agencies, consumers and civil society (NGOs, communities, young people, etc.).

Additionally, since 2017, the European Directive on disclosure of non-financial and diversity of information by large companies and groups has been transposed into the Bulgarian Accounting and Accountability Law, regulating all enterprises (both private and public) with more than 500 employees to deliver more comprehensive non-financial annual reports, highlighting among other things their environmental and social activities.

On the other hand, **small and medium-sized enterprises in Bulgaria** are still sceptical, challenged or biased in terms of the need for adopting CSR practices. However, it is interesting to highlight that the so-called "silent" form of social responsibility (i.e. informal, sometimes even unintentional) is particularly relevant to small and medium-sized enterprises in Bulgaria, especially those operating in smaller, rural

communities. Working conditions, environmental protection and community engagement are the three most important topics that are starting to emerge and to be considered among SMEs. (Report: Corporate Social Responsibility in Bulgaria: The Current State of the Field). It should be noted that these types of informal social responsibility measures and activities should not be recognised nor regarded as a CSR by the official definitions and standards. CSR among Bulgarian SMEs is still abstract, yet an attractive concept, as many successful small businesses have international ambitions and strive to improve their overall image before foreign partners and investors. According to data of various research papers on CSR developments in Bulgaria, three main factors foster the adoption of CSR among Bulgarian SMEs. The first one is related to the existence of a company management system (ISO 900, ISO 1400, etc.), the second is related to the corporate identity (i.e. the existence of own patents, trademarks) and the third one is closely linked with the demand of stakeholders, employees, customers, community, etc. (Manual on assessing the sustainability of social enterprises in Bulgaria).

Managers and owners of SMEs are not entirely aware of the terms social value and social impact, nor with the concrete social value or impact that their companies are generating for society and the community. The results of the quantitative interviews with representatives of small companies showed that the majority of SME managers tend to consider that their social impact is directly related to the company rating/image in the society/community. Also, the majority of SME managers are not entirely aware of the social impact that their company is producing, nor how it can be measured and promoted actively.

As stated in the previous chapter of the research, **social entrepreneurship in Bulgaria** is still a nascent activity. It is in the process of development and therefore requires a lot of support, not only financial but also on an administrative and political level. The Law on Enterprises of the Social and Solidarity Economy (LESSE) came into force in June 2019. It defines social entrepreneurship as an endeavour that combines economic activity with the pursuit of social goals, as a result of which social added value is produced, i.e. social effect for the respective target group and/or community. According to the newly adopted Law, a methodology for evaluating the social added value of each enterprise will be introduced. The methodology is applied to all social enterprises that are registered under the LESSE and proposes a mechanism for evaluating the social effects of activities of social enterprises and the impact they have on their stakeholders, the society and the community where they operate. It mandates that social enterprises should report on key indicators such as number of social events organised, number of social services provided, number of persons benefiting from social services, number of employees of the social enterprise, amount of funds invested in social services and innovations, sources of funding, etc. Although this methodology has been applied, it serves only statistical purposes and provides merely quantitative rather than qualitative data. As mentioned before, social enterprises are very clear with the term social impact and in particular, what constitutes the added social value of their activities to the target group or the community. However, the level of knowledge of social entrepreneurs of the concept of social impact measurement and SROI, in particular, is very limited or non-existent.

Non-profits (NPOs) are one of the most successful and most common type of social enterprises as their activities are always related to their mission and primary objectives (i.e. mostly social or for public benefit). Many non-profits are ready to develop business projects through which they attract sustainable funding for the social causes that they pursue. Their main goal is not to pursue profit, but to achieve ideal goals related to the development of important areas of common interest, various forms of support for vulnerable people, etc. The generated profit is always reinvested in their causes.

The non-governmental sector has a role to play in creating added social value, as they act as a catalyst for changes in terms of environmental protection, identification of local problems, the formation of public opinion, direct democracy, etc. NGOs are fully aware of their social mission. However, certain types of NGOs (i.e. working in the field of regional, economic and entrepreneurship development) declared the lack of knowledge and experience in determining their social impact.

As in other European countries, the non-profit sector in Bulgaria is highly depending on public finances, grant funding, crowdfunding, donor campaigns, etc. Civil society organisations (CSOs) in Bulgaria can receive funding from abroad, engage in fundraising, receive public grants, sell goods and services to support their mission. In many cases, NGOs engage in projects outside their primary mission and scope of activities just to survive both financially and administratively (i.e. to keep their experts and staff).

According to Bulgarian legislation, every non-profit legal entity (NPO, CSO, etc.) must comply with the principles of transparency and accountability. All non-profit legal entities (associations, foundations and community centres) – whether in public or private benefit – are required to announce their Annual Financial Statements and their Annual Activity Report (only for non-profit organisations in public benefit) on the Register of non-profit legal entities at the Registry Agency by June 30 each year. In terms of accountability, there are still very few NGOs that publish a detailed report of their activities on their websites or through other types of media. For many NGOs, this represents an additional administrative burden, as most CSOs do not have permanent staff and experience high turnover of personnel. In fact, according to data of the 2018 CSO Sustainability Index of Bulgaria, the majority of non-profit organisations in Bulgaria depend on the efforts of one or two key people. However, due to the fact that many CSOs participate in projects funded by international donor organisations or the European Community, they organise various events and activities, where they have the opportunity to present their mission and accomplishments. Additionally, NGOs are in general very active on social media, other online media and public forums. In terms of their knowledge on SROI and the various tools for measuring their social impact, almost all participants in the qualitative phase of the researched agreed that they have very limited knowledge on the process and the tools for measuring their impact and social value.

4.4 KNOWLEDGE UND EXPERIENCE ON SOCIAL IMPACT MEASUREMENT AND SROI ANALYSIS

To begin with, Bulgarian public, private and non-governmental entities are familiar with the term social impact but have no knowledge whatsoever (with very few exceptions, mostly in larger companies and corporations) on the existing tools and activities for measuring and analysing their social impact and added value (i.e. SROI analysis and social impact measurement).

The **public administration**, including large state enterprises, have social values incorporated in their mission by default but have limited knowledge on social impact measurement. This assumption has been made on the fact that there is no common standardised approach in the process of non-financial reporting and disclosure. As part of the qualitative interview process, there were no participants that confirmed that they are familiar with the concept of SROI analysis or other particular tools related to social impact measurement. Public institutions, such as academia representatives that have been interviewed as part of the research, are familiar with the concept of social impact and the definition of SROI. However, they have very limited knowledge of the practical aspects of social impact measurement.

Apart from **large companies and corporations** (i.e. food and beverage industry, chemistry and mining industry, energy providers, mobile and telecom operators), that have SROI incorporated as part of their CSR strategies and policies, the level of knowledge and awareness on SROI among Bulgarian small and medium enterprises is very limited or even non-existing whatsoever. None of the interviewed representatives of the private sector was fully aware nor confident with the particular term "Social Return on Investment", as its translation into the Bulgarian language is also varying in different informational sources. Another important question that was asked by representatives of SMEs during the qualitative research phase was related to the benefits of measuring the social impact. How would this improve the overall situation and competitiveness of my company? Is this only related to our image towards society? These are important questions that the future training framework set up by the project should address. Based on the abovementioned, there is no awareness of the tools related to SROI analysis as only a few of the interviewees have heard of tools such as stakeholder mapping, the theory of change, etc.

Social enterprises and non-profits have only theoretical knowledge in topics such as social impact, impact measurement of social activities and SROI analysis. This knowledge was gained through their participation in projects in the social sphere, trainings and workshops. As stated above, in recent years, social entrepreneurship has been a topic of interest in Bulgaria. Thus, there have been many training and capacity building campaigns for that particular sector. In any case, with the latest legislative developments in the field of social entrepreneurship and social economy, there is a clear need of increasing the knowledge of companies and non-profits on the tools and activities that will allow for an efficient and evidence-based impact measurement and reporting of their social impact. There is a clear lack of information among social enterprises and non-profits on their work, outputs and performance which not only hinders the process of adapting and improving their products and services but is also one of the key prerequisites for the limited access to finance and support. Social enterprises agree that the diligent planning, impact measurement and analysis are the key ingredients towards the successful development of each social entrepreneurship endeavour and for the fulfilments of social goals and mission.

4.5 TRAINING ON SOCIAL IMPACT MEASUREMENT

The following paragraph focuses on the training needs in the field of social impact management, social return on investment, planning and managing the social mission of an organisation, etc.

Based on the overall results and initial conclusions of the research process that has been carried out in Bulgaria it could be determined that the majority of representatives of the target groups in Bulgaria are interested in attending a training on social impact, social impact measurement and SROI. They would prefer a blended learning setting, i.e. short and focused face-to-face sessions with auxiliary online courses, if necessary, complemented by an online learning environment, containing an extensive collection of Open Educational Resources (OERs) and Massive Open Online Resources (MOOCs) on the topic. In this aspect, such blended type of training should consist of not more than five sessions (90 minutes each session) for the purpose of raising awareness and for understanding the concept. Many of the participants in the survey shared that they would like to attend short training sessions (usually in the afternoon), containing easy to comprehend practical examples and case studies and/or best practices on the topic. In the light of the COVID 19 outbreak, many interviewees tend to prefer online sessions in small groups of trainees, using suitable free software solution (i.e. Zoom, GoToMeeting, etc.). Another benefit of online learning and online courses was related to the fact that many public servants, managers and experts working in social enterprises and non-profits have either regulated working time or very limited free time available. Therefore, interviewees would like to have their training outside working hours of their business and/or administration.

Additionally, all interviewees highlighted that they prefer to learn from the experience of others. Although in-house training was also highlighted as an appropriate option, many organisations tend to prefer trainings with participants from other organisations as these provide additional opportunities for networking, experience sharing, fruitful discussions, common problem solving, etc. Also, it is important to have in mind that it will be best if these training sessions are customised to the needs of the different types of participants (i.e. public, private, non-profits and social enterprises). Certification at the end of the training would be appreciated and will increase the interest in the training programme itself. The majority of participants are not willing to pay unless the training programme has gone through its pilot phase and they would be able to analyse the feedback of participants.

In terms of skills and topics that organisations were interested in, the majority of the interviewees highlighted that as most of the concepts (i.e. social value, social impact measurement and SROI) are relatively new for them, it is necessary to have an introductory training aimed at improving the overall knowledge and awareness on planning, creating and managing social value and impact. Therefore the training content could be divided into two parts – one for beginners and one for trainees that already have some experience and knowledge on the topic. Participants of the non-profit sector and the interviewed representatives of social enterprises have shown interest towards topics such as social impact

definitions and examples of social impact in various organisations/institutions. Also, how to measure social impact in the non-profit sector and how to record and describe personal stories of their target groups which demonstrate the impact that they create would be of interest. Further, they would like to gain knowledge about existing tools on how to expand their social impact (i.e. scalability, development tracker, social impact measurement) through the theory of change methodology which is suitable for start-ups in the social entrepreneurship sector. Other topics would be social impact management, working and customised toolkits for social impact measurement and scaling of social enterprises. Public sector employees tended to be interested in familiarization with existing best practices in the area of social value creation, management and analysis in the public sector. The particular topic of SROI seems solely interesting for the larger companies, as the smaller ones are more interested in the concept of social impact and the various tools for planning, managing and measuring their social impact on the communities where they are operating.

Potential participants in such training would be those responsible for local and regional development, project managers, social and health sector experts (public administration), SME managers, CSO specialists, social entrepreneurs and people who are willing to start-up a social enterprise (private sector). Also experts and representatives of non-profit organisations (non-profit sector), representatives of academic institutions and universities with particular interest on the topic (public and private education providers) could be future participants of the training.

4.6 CONCLUSION

In Bulgaria, there is no commonly adopted method or practice for measuring and reporting social impact. The adopted practices in terms of performance management and activity reporting in the public and non-profit sector are not considered as very important and are mostly carried out due to the existing legal requirements for non-financial disclosure and accountability. Large companies in Bulgaria have experience in CSR practices and activities and have adopted comprehensive policies that allow them to track their impact and performance in relation to social and environmental aspects. However, small companies consider social impact measurement and planning as "just another administrative burden". Social enterprises and non-profits working in the social and health sectors are mostly interested in the social impact they create and in the tools and activities that allow them to measure and report it among their communities efficiently.

The level of awareness on social impact planning, management and social impact measurement is rather scarce among both the Bulgarian public institutions and the private/non-profit organisations and exists mostly in the academic community, some CSR experienced large private corporations and enterprises, as well as among some experienced social entrepreneurship initiatives and support organisations.

Moreover, the majority of organisations, especially the ones from the small private and non-profit sector, lack a clear understanding and the fundamental knowledge on how to define, embed and measure social impact in their activities. There is an apparent lack of information among social enterprises and non-profits on their work, outputs and performance, which not only hinders the process of adapting and improving their products and services but is also one of the key prerequisites for the limited access to finance and support. Therefore, according to Bulgarian participants in the research, the preferred training format will be a blended learning setting, i.e. short and focused face-to-face sessions with auxiliary online sessions, if necessary, complemented by an online learning environment, containing a large collection of OERs and MOOCs on the topic. It should be short and focused, i.e. five sessions (90 minutes each session).

To summarise, SROI is a concept that is rather abstract to the majority of organisations. Knowledge and experience on the topic exist only among some public university trainers, CSO managers and freelance experts. At this point, due to the limited knowledge and understanding of the concept, the training should have the purpose of raising awareness and for understanding the concept of social impact. There is a clear need to expand the training content beyond SROI and provide participants with some theoretical

background (backed with a lot of best practices and good examples) on social impact and the tools on how to create, manage and analyse it. More comprehensive training on SROI could be developed and organised on demand. It should be tailored to the specific needs and characteristics of the target audience (i.e. public sector employees, non-profit organisations, social enterprises, etc.).

5 Social Impact Measurement in North Macedonia

Ivan Toromanoski/Anila Eljupi/Miranda Ajdini/Zvonko Naumoski

5.1 INTRODUCTION

As the society went through more radical socio-political and economic transformation, the understanding of social value within the society also changed. A quick review of research and policy papers reveals that although social values can be observed from different aspects, the most prominent ones correspond to public discourse and reforms through which the country goes through in particular period. In general such values relate to social equality, gender rights, tolerance, environmental protection and many others. These values can be traced in all post-socialist states in the Balkans. In fact, the constitution of the N. Macedonia in line with the EU and EU social values and as a step further, practically all declarations which correspond to them, are signed. These issues fully and continually resonate in the public discourse but what needs to be observed is the process of their operationalization. Operationalization remains insurmountable conundrum for the public institutions including the process of bringing social values from paper to reality.

However, while the public institutions fail to lead the way towards implementing social values, the private companies are moving in positive direction. A significant advance is the acceptance of the CSR concept by larger private companies. CSR is becoming a more prominent aspect within the corporate management in N. Macedonia. There are several reasons for this shift but the results mainly derive from the awareness of private companies of their social and environmental impact, enhanced capacities of the third sector to assert themselves in the policy making process, raised awareness of the consumers rights and finally, governmental activities for accountability related to the activities affecting the public good.

While it is expected that CSR measurements will incorporate social and environmental impact in corporate management of private entities and duly report on it, this is not always the case. This is a self-regulated governing activity whose implementation is fully dependant of the will of the private company.

Finally, the civil sector is also playing a crucial role in recognising the importance of social impact in the society as a whole. Their community engagements, based on their missions, have filled in the gap in the process of transformation of the society. At the moment, there is no systemic and stable financial mechanism which could render their work more effectively. Henceforth, the social impact might be higher. Additionally, social enterprises, although they are private capital entities, are being recognised due to the work of the civil sector organisations. The activities of both the CSOs and the social enterprises² are directly linked to the production of social impact.

The research was conducted through primary research using semi-structured questionnaires. The research encompassed entities from the public, private and the third sector. The research was originally intended for focus groups. However, due to the circumstances caused by the COVID-19 health crisis, the

² At the moment, the social enterprises are not legally recognized. They are operating under the Law for civil association and foundations due to the fact that they are an offspring of particular activities of CSO. In near future, either there should be a special law for social enterprises or they should be recognized by the laws regulating the private companies.

research proceeded with single interviewees. Additionally, the prime focus of the research was to evaluate the understanding, knowledge and skills of social impact measurements which are deployed by the entities in their daily operations.

5.2 ACCOUNTABILITY AND PERFORMANCE MEASUREMENT

Accountability and the measurement of the performance of institutions, companies or organizations in North Macedonia are almost never related to the social impact they generate. In general, the performance is almost exclusively done through counting inputs and outputs and the accountability is directly linked to the founders of the entity.

The public institutions are established by laws and the accountability in this respect is indirectly linked to the people. The formal reporting, which is directed to the founders – governmental authorities and parliament, does not foresee measuring and reporting of the social impact they create. The social value is embedded in the rationale for the establishment of the institution henceforth it is assumed that the institution is creating social impact. However, without having an established monitoring and evaluation system for the social impact they create, it is not clear through which activities this is done and to what end.

Private companies are accountable to their owners. However, with the growing public awareness in the society as well as the corporate activities on international scale, the private companies tend to engage in activities which clearly deliver social impact in society. However, the research showed that there is clear distinction in the qualitative approach in the accountability, which is regulated by law – financial inputs and outputs – and the accountability on activities, which is self-regulated – social impact.

The non-profit organizations have clear missions, as required by law, which guide their operational activities. However, these missions, quite often, are very general. As such, the stakeholder groups, which relate to the CSOs are heterogeneous, which in turn makes the accountability of the CSOs burdensome, but also questionable. However, the research shows that although the CSOs account and report for their activities and results, it is clear that they are based on the needs of the founders. This should not stop CSOs to report and account on their social impact, as addition to the regular reports. However, there is no evidence that this is the case.

In sum, there is clear understanding of the importance of social impact among public institutions, private companies and civil society organizations. The process of accountability for their work and performance measurement needs to be improved in various aspects. SROI could provide valuable insights for the institutions, private companies and CSOs in respect to improving certain segments of their work.

5.3 THE UNDERSTANDING AND PERCEPTION OF SOCIAL IMPACT

The understanding of the social impact differs vastly among organisations depending on the sector which they are operating in.

There is no systemic approach to establishment and regulation of the operational activities of the public institutions of North Macedonia. A short study “Legal criteria for appointment of leadership of public enterprises, regulatory and independent bodies” (Gjorgjievski, 2018) on issues of good governance shows that there are certain legal uncertainties and unregulated areas regarding their operations. A crucial segment is the loose regulation around the use of internal acts of the institutions (statutes) which do not provide a precise legal framework for their operational activities. In sum, how we observe the understanding and perception of social impact in the public sector might have a bias. However, for the purposes of this research the overall perception of the social impact in the public sector will be based on desk research and the representatives of the public institutions which were interviewed.

Public institutions are established with the aim to serve public interest. As such, producing social value embedded in their daily operations. The management bodies of the institutions have shown a high level of understanding of what social impact is and how their institutions produce it. The legal regulations as well as the international agreements – governmental or related to funding – do not foresee neither measuring the impact nor reporting on it. However, the research showed that PR activities of public institutions in fact contain messages which contain the communication of social impact in narrative form.

Additionally, there is practically no evidence that the understanding of social impact among of the top management of institutions trickles down to the rest of the employees. This internal transfer of value within the organisation is mostly related to direct impact as a service to the public, while the indirect impact within the society can be traced through the transformation of the institution in order to align it to the EU recommendations as part of the EU integrative process.

The reporting system of the public institutions is based on the legal act of their establishment. The annual financial report is considered as the main report but some public institutions develop narrative reports for the general public as well. However, the reports do not contain any information which relate to the social impact which the organisations have.

The social impact related to private companies is usually based on their understanding of corporate social responsibility which is a self-regulation rather than a legal obligation. As such, their engagement in creating social impact is mainly based on internal strategies and policies. Due to this, the reporting is not standardised within the private sector.

Private companies are aware and knowledgeable of the importance of the social impact they create. They report to their owners, being family owned or owned by shareholders. Larger private companies have the capacity to embed their social impact in the products and services they offer to their clients as part of their CSR. Additionally, there is a process of internalizing the social impact which is part of the capacity building of their human resources.

The format of the reporting is based on the activities which deliver the main financial gains on which the success is built. The social impact is also reported in the annual narrative reports but it seems that this aspect is still treated as an additional and voluntary activity to the main operations. There is no evidence of private companies engaging in measuring the social impact of their annual investments in social values. The research showed that aside from reporting on the financial investment of social impacts and reporting on the activities, there is no additional information on which the sustainability of the investment can be analysed. Additionally, the research showed that companies tend to invest more in traditional partners (e.g. sports clubs) rather than in ad-hoc activities.

All non-profit organisations have missions which they focus on producing and upholding social values as already noted. This is also the case for the public organisations as they are set up in order to either resolve a social problem/gap and/or need or enhance a social value in the society. However, what needs to be observed is how this promise is being operationalized and its impact for society.

The research showed that a significant number of non-profit organisations have missions which are too general and envelop wider social contexts in which they strive to operate. The non-profit organisations in fact are very well aware of the social impact they generate. However, what is prominent is their focus on solutions of specific problems rather than focusing on long term sustainable activities for prevention.

Additionally, the non-profit sector is highly dependable on foreign grant schemes which limit the effects of their operational activities but it also puts pressure to stray away from their missions. In sum, the unstable sources of finances have a negative effect on the social impact non-profits create.

The format for the reporting on their activities is also based on their external financial sources, which focus on the inputs, and outputs - financial expenditures as well as the outputs delivered. Outcomes are narratively reported and explained. However, quantitative indicators on outcomes are not communicated.

The non-profit sector organisations do report on their activities, results, accomplishments on regular basis. A significant number publish an annual report, which can be accessed on their websites as addition to the financial report which is required by law. The structure of the annual report is, in most cases, a compendium of project summaries, which have been implemented by the organisation. Additionally, the reporting system is primarily focused on reporting of activities, which are funded from external sources. As such, the reporting is directed to the donor and rarely to all stakeholders. Usually, there are follow-up activities but this is not nearly on a satisfactory level. In sum, non-profit organizations, in most cases, account for the social impact they create to the donors rather than all stakeholders.

Finally, reporting on the sustainability and exploitation of their activity is almost non-existent. Usually, the reporting on the activities and their results remain only active until funding is executed. The sustainability – longevity of the social impact, in some cases is only guaranteed if public institutions take over the activity.

5.4 KNOWLEDGE AND EXPERIENCE ON SOCIAL IMPACT MEASUREMENT AND SROI ANALYSIS

The research showed that there is an overall understanding of what social impact is and its importance. However, there is no specific knowledge regarding the SROI. Also, there is no established practice of SROI or measuring social impact in general. The reporting systems, which some of the large companies have, relate to the concept of CSR. These are narrative reports and there are no clear qualitative indicators or benchmarks. The reporting usually provides an overview of the activities which have been implemented and it cannot be determined what the effects/impact of the project were or what steps are taken for its sustainability etc.

Aside from the profit margins, the interest of the private companies is also customer driven. Additionally, larger companies “merge” the CSR with the internal cultural values. In this respect, the SROI would be not only beneficial for the companies to show their social impact but also for their employees and customers. To sum it up, private companies which are already engaged in CSR, although they do not know their “exact” social impact, as they are not measuring it – other than the financial aspects, they are well aware of the importance of it. Additionally, it is important that not only the customers and the public knows about their social impact but also their employees.

It is hard to differentiate between the social impact generated from the public, private and civil sector. The public institutions have clearly defined missions and the purpose for their establishment – institutionalization of social values and norms, which is based on the social impact they need to improve within the society. CSOs also have a clearly stated mission. However, unlike the public institutions, CSOs have no legal obligation to remain within the boundaries of their mission. There is established perception that production of social value is granted and this is how the public perceives it. On the other hand, the private companies need to engage in additional activities to produce social value; however, companies do understand the necessity and work in direction of making it an inseparable part of operational activities.

However, although social impact is embedded in organisations, institutions and companies, there is a lack of a system for measuring the same. The research showed that there are some attempts to engage in measuring the social impact of CSOs. A civil society grant scheme which has been implemented in the last several years has shown that CSOs almost primarily focus on the outputs and very little the outcomes which are only narratively reported.

In sum, in North Macedonia there is high level of awareness regarding social impact. This could be related to the process of the political, social, and economic change, which the society is undergoing. However, there is almost no evidence of a systemic approach to measuring social impact regardless of the type of

the entity and the sector it operates. Although there is knowledge of methods for evaluation and monitoring performances, they do not tend to incorporate measuring social impact. On the positive note, this provides a good foundation – knowledge and experience for taking a step forward and incorporating a system which will enhance performance in terms of their production of social impact as it will improve the entire process of performance of the entities.

5.5 TRAINING ON SOCIAL IMPACT MEASUREMENT

The plausibility for the introduction and implementation of an SROI training programme in North Macedonia needs to be assessed from various aspects which will take the specific capacity development needs of the public, private and civil sector entities into consideration. Our research shows that a one-size-fits-all approach can only be applied to the basic level of trainings and trainings related to raising awareness. However, the SROI training related to the intermediate or advance levels needs to take into consideration various specificities of the potential trainees.

In general it can be stated that entities from all sectors do engage in continuing trainings for employees with well-developed programmes. The introductory SROI trainings can be applied across fields and sectors. However, when it comes to intermediate and advanced level of trainings a clear distinction needs to be made between the capacities of the public, private and civil sector trainees.

The civil society sector exhibits a well-developed foundation for capacity building. Although this is not centralized, e.g. through mutual funds, it can be observed that there are programmes, grants and sub-grant schemes which offer capacity building activities in various fields.

A peculiar element for the CSOs is the high dependence on foreign development programmes. Foreign governmental agencies as well as EU and UN agencies are the main source of funding for CSOs. In the recent period, a new and structured approach to cooperation with CSOs was put forward by the national government. However, this programme is new and there is no real track record which can be observed and critically assessed. Additionally, the low funding budget which has been offered does not promise a sustained and structured approach to cooperation with the CSOs which in turn is expected to produce a real social impact.

The SROI training programme, according to the research, received most interest among the CSOs. As mentioned above, the social impact, although it is recognized, is not measured at all. Moreover, the possibility for monetarization of the social impact they produce will enable them to promote their social values more clearly to the private sector but also to their wider stakeholder network.

Additionally, the SROI concept is based on activities in which CSOs are well versed such as stakeholder mapping, developing theory of change, working with logic frame etc. However, it needs to be pointed out that these are not practiced regularly.

Regarding the form of training delivery, the best option is delivering the training in person. Although online trainings are widely used, it is perceived that a more fluid discussion is more difficult to establish. A useful tool would be a pre-recorded lecture on a specific topic followed up with training in person.

Overall, trainings which have been offered for members of CSOs are free of charge. These are mostly focused on basic capacity building needs. In case of SROI, given that it will be a novelty, the basic skills level would have more success and acceptance among the CSOs if it is a free training. However, the more complex levels, which can be fee-based, could have more success if delivered by targeting larger CSOs and catering to the specific needs within a certain field of work (environment, consumer protection, competitiveness, civil rights etc.). It can be pointed out that larger, well established CSOs do not see the social impact measurement as just another tool but also as a useful skill which the staff of their monitoring and evaluation departments can have and integrate in their daily operational activities. In this case, it is

less important for participants to receive a certificate, but more important to know how to integrate SROI in operations.

Like CSOs, private companies also exhibit a diverse need but also approach to capacity building. The larger companies clearly understand the need for having a strategic approach to continuing capacity building of their staff, while the medium companies are also aware but their capacity building approach is not as systematic. The small and micro companies, as an overall observation, do not have a company policy for offering trainings but mostly depend on the initiative of their employees. Hence, staff members frequently need to pay for their own trainings with little or no support from the company. The medium, small and micro companies usually try to utilize the trainings offered by outside training companies or trainings which are offered as service from the chambers of commerce.

Regarding the interest in SROI training programmes, it would be the large companies, with an already established track record in CSR who are most aware of the need to understand, produce, measure and promote their social impact. In fact, they are the pioneers of establishing and promoting the concept of CSR in North Macedonia whereas now it can also be seen as part of the medium size enterprises.

The provision of SROI training programmes for their staff was well received by all companies which were part of the research. Given the low awareness about the particularities of SROI, lower and middle management would be the target group which would be best suited for the training as they are the ones who are operationalising the strategies which are developed in their companies. This is especially pertains to large companies as well as some medium sized companies, as they have a systemic approach to their investment into social values while the smaller companies only have sporadic investments.

In sum, the SROI training offer is mostly suited for large and medium sized companies. As mentioned before, the format of the trainings is the same as for the CSOs whereas live training is preferred over an online version, although they are experienced in both. Since it is new concept, SROI might start with introductory level trainings in order for the staff to get a first grasp of the process while mid-level trainings can follow based on its applicability.

In recent years, there has been an attempt to establish a capacity building system for the public administration staff members through the newly established Ministry for Information Society and Administration. This is practically focussed on basic capacity building related to administrative, legal and operational matters. Additionally, there are trainings which are offered as part of larger programmes and projects related to the accession into the EU and modernization of administration of North Macedonia. In this regard, the development of new training programmes that can be offered to public institutions staff is complex although the interviewees showed interest of having such skills.

As additional note, it was suggested that the certification of the training programme in the Centre for Adult Education would provide a more standardized approach to introduction of the concept but more importantly a systemic and standardized transfer of knowledge related to measuring social impact.

5.6 CONCLUSION

The research showed that there is awareness of what social impact is and, in general, how operational activities create impact. However, the organisations across the public, private and civil sectors lack understanding how to embed social impact in their daily activities. There is no evidence that any organisation is utilizing any particular system for measuring their social impact.

The attractiveness of embedding SROI analysis in the operational activities relates to the real measurement – monetization of the outcomes of the investments. This was of particular interest of the CSOs and the private companies as they require a method to be able to track their sustainability of their social activities. Additionally, the SROI would enable them to develop funding strategies and activities with clearly outlined values of their impact.

Private companies and non-profit organisations are well poised to embark on measuring social impact and utilizing SROI analysis. Their experience in CSR as well as direct cooperation and focus on the socio-developmental needs of the stakeholders enables them to engage in SROI analysis while engagement of the public institutions will need to be conducted with a “case-by-case” approach.

The training programme for SROI needs to show a more flexible approach in order to envelop the variety of needs and level of capacities of the entities interested in measuring their social impact. This mostly relates to the different modules which are part of the SROI analysis and the real know-how how the organisation carries.

Overall, there is a high awareness of the need for continuing capacity building among the economic operators. Therefore, the training format does not constitute a deciding factor but the focus of the training should be placed on enabling the trainees to obtain profound knowledge and to be skilled in conducting the SROI analysis on a daily basis.

6 Social Impact Measurement in Slovenia

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6.1 INTRODUCTION

In this chapter, we present an overview of the current situation in Slovenia in the area of social impact awareness and measurement with particular emphasis on the SROI analysis. The study was prepared based on literature review and data collected through semi-structured interviews and a focus group.

The interviewees and focus group's participants represent three economic sectors (public administration, profit organisations and NPOs) and have varying levels of experience in the area of social impact. In total, nine people participated. We had interviews with three people (two from a NPOs, one from a company) and a focus group with six people (three from public administration, two from companies, and one from the non-profit sector). **Public administration** representatives were from institutions operating in the field of government project management and public health. The **profit sector** representatives came from a small-sized organisation active in the field of business education, a medium-sized company working in the health-related area and a medium-sized supplier of packaging solutions. The **non-profit** representatives were from an organisation offering support for families, parents and children as well as from an organisation delivering university-level education and research. Besides, an expert from a financial fund was invited to the focus group discussion. This fund was launched by the European Commission and European Bank for Investment to stimulate the employment and competitiveness of European companies in key strategic areas, so our guest is an expert in the field of social impact (primarily environmental) and well informed about the current situation in Slovenia.

A literature review was used to describe the Slovenian context and more comprehensive representation of social impact's role in society and the economy. The fundamentals of social value importance are set in the Slovenian Constitution, which is the highest legal instrument and lays down a parliamentary governance system. This principle instrument is followed by other legal instruments, such as the laws adopted by the National Assembly, government decrees implementing laws, etc. Slovenian people exercise their right to local self-government in municipalities and other local communities. Municipalities are an equal partner of the state (Government Communication Office Slovenia, 2020).

Social impact topics are mostly covered in the National Strategy on Social Responsibility in Slovenia, which is not finalized yet, but it is in the final stages of its preparation (Babnik, 2018). The beginning of the preparation of this strategy goes back several years when, in 2011, the European Commission invited all member states to develop or to update their action plans to promote corporate social responsibility (CSR). From 2012, there were some attempts to start the preparation of the National Strategy on Social Responsibility (NSSR) in Slovenia as the basis for the National Action Plan (NAP); however, the process did not take off. In 2017, Slovenia re-started the development of NSSR by opening a multi-stakeholder discussion among the government, business, and civil society representatives (Slapnik et al., 2017). The draft proposal of the strategy includes the mission and vision, goals and indicators by areas: human rights, fair business practices, care for the environment, working practices, ethics, governance, suppliers and buyers, responsible investment, green public procurement, sustainable procurement, CSR in education, climate change, an early draft of National Action Plan for CSR as well as chapters on reporting of social responsibility, strengthening cross-sectoral cooperation, CSR for small and medium-sized enterprises, and introduction of novelties into the strategy (Slapnik et al., 2017; Babnik, 2018). Even though the draft proposal of the strategy included a NAP outline, the Government Office for Development and European Cohesion Policy questioned, whether Slovenia truly needs a separate CSR strategy to develop a NAP. As the government had just adopted the Slovenia Development Strategy 2030 in 2017, an idea was launched to base the NAP development on the Development Strategy as well as other existing national

and international strategic documents. There are conflicting opinions on this matter within civil society (Babnik, 2018), which has not been resolved yet.

Because of missing governmental guidelines and regulations in this area, reporting on social impact and social impacts is still not widely recognized and used in Slovenia. Overall, we can identify successful isolated cases, either locally or regionally, that excel in their knowledge, measurement, and reporting of social impact. However, these cases are heterogeneous and stem from different sectors. The strongest initiators of social impact recognition are some non-governmental organisations that have been very active in promoting CSR, both in the business community and in Slovenian society (Golob, 2015).

6.2 ACCOUNTABILITY AND PERFORMANCE MEASUREMENT

The Slovenian Development Strategy 2020-2030 was confirmed as "the basis for the comprehensive process of medium-term planning, which foresees the definition of priority tasks and measures which must be designed so that they take fiscal policy into account." (Government Office for Development and European Cohesion Policy Slovenia, 2017, p.6). With this national development framework, 12 development goals were set and embedded with 17 sustainable development goals. A vast majority of the development goals are built on fundamental social values. Strategic actions and programmes were developed together with key indicators and target values to guide and monitor the implementation process as well as actual operation. Consequently, the missions of **public administration** bodies from different areas have implicitly included social values; however, at the same time, they became bound by the overarching performance measurement system imposed by the national development strategy.

The creation of social impact is, hence, included in the mission of both **public administration** organizations surveyed. One organization's mission involves bringing better health care to citizens, while the other's mission is securing a more efficient and accountable public administration system for the citizens. In their activities, both organizations are bounded by the general principles of legality, participation, transparency, accountability, and justice. Public administration institutions are accountable to the citizens, to the respective ministries and, consequently, also to the government and the national assembly. For example, one of the organisations enables every citizen to observe the momentary stage of each of their projects. However, this level of accountability to the citizens is not typical for the public administration sector. Depending on the source of financing for individual projects, both organisations surveyed are also accountable and report to different financing institutions (national and European).

For performance measurement, the public administration organizations follow the Common Assessment Framework (CAF, 2020), which is a self-assessment based quality management tool, based on the business excellence model of the European Found for quality management (EFQM, 2020). As described by the surveyed organisations, the measurement of outcomes is output-oriented and sufficient for the stakeholders as none of the organisations mentioned requests from stakeholders to improve the analysis. However, one of the participating organisations notices that the outcome measurements required by the stakeholder for every segment of their business lack a coherent connecting frame. For example, the Ministry of Finance and the Ministry of Public Administration require different sets of reported measurements without clear relations among them. The public administration institutions miss the mutual connection between the measurements requested by various ministries. The consequence of this missing systemization is that it is challenging for public administration institutions to report to different authorities. With the current arrangement, it seems that each segment determines its specific indicators, which can be even inconsistent among them, but the information about the overall effects of activities and projects is lost – at least from the perspective of individual public administration organisations.

Moreover, not so much by stakeholders' demand, but for their internal monitoring, both surveyed organisations strive to develop a logical system of quality indicators to measure outcomes (and some impact). In one of the organizations, the methodological foundation of reporting is systematically developed in the early stages of projects. In the other organisation, ideally, the indicators should be based on the cause-

and-effect linkages. They would like to know how an effect in one area is related to the situation in the other area. However, they found no formula binding the sectoral strategies to hierarchically higher indicators that would enable them to determine if they are, in fact, aligned with the overall development strategy. This indicates that the coordination among individual (horizontal and sectoral) policies proposed in the Slovenian Development Strategy is not sufficient.

In summary, public administration institutions pursue social impact creation directly or indirectly, and the prescribed performance measurement systems reflect this. However, these institutions are aware that such performance measurement systems seem to neglect 1) the interrelations between effects in different areas, and 2) the broader scope of impacts on society and economy.

Social impact is included in the mission of some Slovenian **companies**. Within social impact, the concept of corporate social responsibility (CSR) is more familiar and already established in Slovenian companies. Organisations that are using this concept are mostly large companies that have to comply with the EU Directive 2014/95/EU and which see benefits for marketing and PR reasons. Several Slovenian multinational large companies (e.g. Krka, Lek, Gorenje, Telekom, Petrol, and others) were always quite inclined to CSR issues, giving some amounts of resources to local communities, sports, entertainment and philanthropic causes. Most of them also took care of their basic environmental responsibilities by adopting various certificates, such as those related to quality, and the certificate of the Family-Friendly Company (Golob, 2015). On the other hand, smaller organisations (SMEs) that represent more than 99 % of Slovenian companies mostly lack the knowledge, time and other resources as well as the support from top management in this area.

The companies participating in our survey are all medium or small-sized companies that are typically less aware of social impact. Yet, two out of three organisations surveyed described the creation of social impact in their missions. One of these two organisations "would like to see everyone had affordable access to own health information, and because of that, the individual and society as a whole could live a healthier life." The other organisation's mission is to "transfer knowledge between the industry and the academic world". In these cases, the core mission of the company is strongly related to social impact.

Among the surveyed companies, two out of three are primarily accountable to the owners. In contrast, one company is accountable to a strategic board with members representing the founding companies and organisations, as well as external members representing the Slovenian economy. Employees, suppliers, and customers are also mentioned as stakeholders that companies account for and benefit from the social impact created. All surveyed companies see the financial measures as their leading indicators of successful business performance. Even though they all describe the monitoring and reporting of other strategic key performance indicator (e.g., customer satisfaction, employee satisfaction, internationalization), a more direct and systematic measuring of the created social impact is not present. The social impact of the company is currently not a significant aspect in evaluating business performance. There is almost no social impact monitoring and reporting, or perhaps on a very limited scale. Small and medium companies account for social impact mostly informally, in everyday communication with partners and employees, but not to the general public. None of the surveyed organisations mentioned stakeholders' requirements for additional measuring and information about companies' social impact. One respondent believes that the reasons the social impact plays such a small role are the current stage of development of the particular company (young company), lack of stimulus from the state and scarce media attention.

In summary, although many Slovenian companies have missions that include social impact, this is not seen as an essential business performance driver. Currently, external pressure rather than internal motivation is mostly driving the extent of social impact monitoring and reporting. Consistent to the EU Directive 2014/95/EU (European Commission, 2020b), large companies are required to report about non-financial business aspects, such as the social and environmental impacts of their activities, in their annual reports since 2018. However, SMEs do not typically prepare such reports.

Non-profit organisations in Slovenia must be established for non-profit purposes in accordance with specific laws, such as the Institutes Act, the Societies Act, Religious Freedom Act, Political Parties Act, different Chambers Acts, etc. Furthermore, they must actually operate in accordance with the purpose of the establishment to be eligible for tax benefits. All three non-profit organisations surveyed described missions that clearly include social impact. One organisation provides "support, animated activities and appropriately designed space for all family members in their most vulnerable period". Another organisation's mission is to educate professionals "who are socially responsible and who will actually contribute to society". The third organisation is providing financial funding at the EU level to stimulate large companies, as well as SMEs, not just for the green economy, but also the economy in changed climate conditions, and other business models based on social values. As a financing institution, this organisation is naturally governed by financial principles; however, since its mission and primary strategic aims are not commercial, we include it in the discussion of the non-profit sector.

The activities of non-profit organisations are mostly funded by donations, membership fees or public funds. However, if they perform for-profit activities too, they are liable to pay income tax. Non-profit organisations are, therefore, primarily accountable to the founding and financing bodies, some types of these organisations, also to the general public. In our survey, one organisation is accountable only to the founding and financing bodies, while two of them are accountable to internal as well as external stakeholders. All three organisations use reporting as the primary accountability instrument. The financing institution is accountable to the European Parliament, European Commission, and the European Council, as well as to the European Investment Bank (EIB). Its outcomes are measured through four pillars, consisting of financial as well as sustainability indicators and are regularly reported. Moreover, sustainability indicators are not only reported, but they are also integrated into the operational process of evaluating proposals and approving funds for the 'clients.' The educational and research organisation is accountable to internal (staff and students) and external stakeholders (e.g., the accreditation bodies, the university, the sectoral ministry, economy and society). Internally, the mission is communicated through shared cultural norms; externally, the results are communicated through PR and media reports, but also through the selection of events and initiatives supported. The organisation offering support for families is accountable to the founder and the funding body (Municipality of Ljubljana), but not to the participants in the programmes ran or the external public.

Depending on the requirements from funding bodies and other stakeholders, some non-profit organisations measure just inputs and outputs, while others already obtained some expertise in measuring outcomes and impact. Non-profit organisations that depend on public funds to finance their programmes are especially interested in understanding how to demonstrate the social impact created, as they can use the results to ensure further financing and development. All three surveyed organisations identified several strategic areas and performance outcomes for each, which are then regularly measured in different ways depending on the stakeholder. However, the measurement of social impact created is seen as problematic by two out of three organisations, both with rich experience in this area. They pointed out that the organisations must be pragmatic in the measurement approach because of several problems. First, there is no uniform taxonomy or methodology and one of them notices that "sometimes something that is an indicator there, is not quite the same indicator as it is measured elsewhere". This happens because the impact is very specific and contextual. Moreover, they observe that in social impact measurements, the broadest impact on society is mostly neglected because they do not even know how to measure it and which parameters should be applied.

Second, the measurement of social impact is sometimes seen as unnecessary and performed only 'pro forma'. This is perhaps also because the specific social impact measurement indicators are not linked in a causal way to financial performance or with the broadest impact on society. The financing institution in our survey is, therefore, trying not to be just an administrative organisation, but to actually translate the social value, at least in part, into corporate understanding and ultimately to financial results. In all three surveyed organisations, there seems to be no need for additional information required from the stakeholders. Moreover, one of them believes the general public might even react negatively towards too much

communication about the social impact (in the sense of 'what are you again bragging about now'), leading to some kind of reverse effect. Furthermore, it is essential to communicate about created social value in a way that will pique the interest of stakeholders. Otherwise, the reporting can quickly turn into a 'what do I care' response. Similarly, reporting on social impact should not be too bureaucratic and not just an additional burden on the economy.

In summary, social values are the core of NPOs' missions. They are primarily accountable to the founding and financing bodies, but less so to the general public. Currently, most performance measurement includes input and output measures. Reporting of outcomes started to gain understanding, while the broadest impact on society is mostly still neglected. There is an interest in measuring impact, primarily as a means to ensure financial support from public funds. However, the lack of know-how prevents these organizations from including social impact creation in performance measurement. It also seems that the communication of social impact, to the general public in particular, must be tailored to the current awareness of social values' impact on society and the economy.

To summarize, practically all surveyed organisations have social values in their missions. While public administration and NPOs' missions require social values for their existence, many Slovenian companies have missions that include or accommodate social values, but this is not seen as an essential business performance driver.

In public administration and non-profit sectors, accounting for the social impact created to some of the stakeholders (primarily financing bodies) is typical. Public administration organisations are also accountable to the citizens, to the respective ministries and, consequently, even to the government and the national assembly. Besides founding and financial bodies, NPOs are, to a lesser extent, accountable to the general public. At the same time, the companies seem to be mostly accountable to the owners and do not yet account systematically for social impact created. Besides the owners, some companies are accountable to their employees, customers and suppliers but not to the general public. However, this type of accounting is usually not formal and systematic (reporting), but carried out through everyday communication. Companies tend to rely on financial measures as their leading indicators of successful business performance. While some larger companies implement CSR strategies and report on their activities, this is not typical for SMEs.

Similarly, in public administration and NPOs, the performance measurement currently includes mostly input and output measures. Reporting of outcomes is starting to gain understanding, while the broadest impact on society is still mostly neglected. The measurement of social impact created is seen as problematic. Our respondents observed the following: 1) there is no unified methodology, 2) there is a need for coherent and comprehensive measurement systems (a causal map type of linkages), 3) currently, the measurement is often just done 'pro forma.' The stakeholders in Slovenia are generally satisfied with the quality of information reported. There seems to be no pressure for more elaborated measurement or reporting systems. This indicates that raising stakeholders' as well as media awareness and understanding of social value is an essential pre-condition for increasing the weight given to social impact creation in performance appraisals. However, the more experienced organisations do recognize the need for further development of their measurement systems. In particular, the understanding of the causal map behind social impact seems to be the crux of the matter. Besides logically connecting different indicators, a causal map should help to understand the real effects on society and convince organisations that social impact creation is not a PR project but a reasonable business aspect.

6.3 THE UNDERSTANDING AND PERCEPTION OF SOCIAL IMPACT

Similar to the Austrian experience, the understanding of the "social impact" concept is very heterogeneous among individual organisations in Slovenia.

Public administration understands its social impact in terms of wellbeing and satisfaction of the citizens, regardless of their area of work or their position (e.g., health, public administration). Citizens' wellbeing is achieved by following compound goals (economic, but also environmental, social, etc.) that are set in Slovenia's 2020-2030 development strategy and the new EU Agenda 2019-2024 (European Commission, 2019), but also on lower-levelled strategical documents. Public administration sees their role in social impact creating in the assurance of reliable public services to citizens in the areas without market initiative or where market initiative would not lead to a socially desirable outcome (e.g., the existence of external effects). Such activities are either provided by the public sector itself or by providing finance to the profit and non-profit sectors to engage in these activities.

Public administration follows the Common Assessment Framework (CAF, 2020) and finds the ninth principle of CAF, i.e. social responsibility, to be most challenging to report. They acknowledge that there is still a lot to be done in the area of reporting and communicating their social impact.

Profit organisations believe that they create their social impact with their products and services. Their product and services provide value for their customers, create jobs, benefit local communities, and lead to economic growth. They emphasize that their products (e.g., genetic analysis, knowledge, packaging solutions) deliver value not only to their direct buyer and employees but indirectly bring benefits to society and the environment.

In profit organisations, social impact is communicated to customers through the value of its products and services. Even this value, mostly the part related to product or service quality, is sometimes difficult to pass on due to asymmetric information and credence type of products or services. To other stakeholders, however, the social impact is generally not systematically reported. Profit organisations express a need for a strong external initiative to provide the framework and methods of social impact measuring and reporting for profit organisations and to stimulate them to report on their social outcome; either about social benefits of their business or mitigation of social loss, related to the type of production (e.g., energy, waste management, etc.). Since 2018, however, it is so obligatory for all EU large firms, hence also the large Slovenian firms, to publish a non-financial annual report on their environmental and social outcome.

Non-profit organisations are familiar with the term social impact, and they all describe social impact creation as their goal and finance as a means to achieve a positive social impact. They are aware that, being publicly financed, they have to contribute to society. They stress, however, that a discrepancy still exists between the role of the social impact should have had and the role the social impact actually has got in their organisations. They understand their social impact in terms of a positive impact on the individual's quality of life. This improvement in the quality of life may stem from various fields, such as education, health, social conditions and can be achieved not only within the national state but also internationally.

Reporting of social impact in NPOs varies from reporting only the volume of the activity to in-depth reporting of several direct and indirect societal outcomes. Consequently, some use accredited tools for impact measurement, while others do not. Similarly, some report only to their financiers, others try to report and actively cooperate also with several other stakeholders. Also, their familiarity with the SROI varies.

To summarize, knowledge and understanding of social impact vary a lot among the described types of organisations. Profit organisations are least concerned with the social impact they create and consider their products and services as their primary contribution to society while focusing on financial goals. Public administration and the non-profit sector are aware of their outcome on society and also report it to various stakeholders.

6.4 KNOWLEDGE AND EXPERIENCE ON SOCIAL IMPACT MEASUREMENT AND SROI ANALYSIS

As follows, we discuss the level of expertise on social impact and SROI in Slovenian organisations.

Regarding public administration organisations, they are in the process of developing indicators which they want to implement in the long run to get the information on the effects of their activities. They have interdisciplinary groups of professionals from various areas (experts from the field of a particular organisation, economics, social welfare) within the organisations who develop these indicators. They are trying to define more than one indicator to measure the same effect with several indicators. Also, they are using cost-benefit analysis. They are aware of the SROI analysis but are not using it as they use a state-approved standardised methodology for evaluating projects.

Profit sector organisations believe that social impact has to be measured after a half-year or one year. They do not have a lot of experience with measuring social impact nor with the SROI analysis. They have heard about the concept but are not using it.

NPOs are familiar with the Economic Rate of Return (ERR), and some of them are actively using it. With ERR, they can include effects on society as well as compare the economic costs and benefits of a project or a programme. One of the participants uses the Business School Impact System (EFMD Global, 2020) framework consisting of 120 indicators covering seven dimensions, including financial, economic, societal and image dimensions of impact. With this framework, they consider their stakeholders with key stakeholder matrices. Still, they believe that the broadest impact on society is neglected. Mainly because they do not even know how to measure it, with what parameters, they do not have a 'causal map'. Some have steering committees where they invite key stakeholders who help in developing their products and services (e.g. school programs), etc. The interviewee from the business school believes that there is still room for improvement, especially how to turn this system into a less bureaucratic one. She believes that social impact measuring is a dynamic 'learning by doing' process. What has proven to be a useful mechanism for them is that once they identify important stakeholders, they invite them back through various activities. She believes it is not necessary to have everything quantified, but many times it is enough to talk to people (stakeholders) and to share information. In general, NPOs have already heard about the SROI but are not familiar with the concept in-depth. They pointed out that 'social' indicators are not comparable between industries, e.g., we cannot compare the impact of education or healthcare. Both have significant social influences, which cannot be placed on the same denominator. Comparisons within an industry or in groups make sense as they can be reported externally to encourage healthy competition among organisations that would be not only internally motivated but also externally and the impact on society would be even higher.

To summarize, Slovenian organisations have heard about SROI and social impact, however, they are not using such an analysis in a structured and systematic way. Social aspects are more important for NPOs and public administration organisations than for the profit sector. Thus, such organisations are also more active in developing indicators in these areas without being 'forced' with some outside rules and regulations. There is still room for a lot of improvement in developing new systems or upgrading existing systems with a social impact perspective. We have to be aware that indeed, there is a 'carrot and stick' principle in place, meaning that organisations will measure and report social impact perspective when they find it beneficial for their day-to-day business as well. In Slovenia, many companies (especially large ones, e.g., Petrol, Telekom, Krka) prepare CSR reports. However, we are not aware of good-practice examples of organisations using the SROI method in Slovenia. Some participants pointed out that there are too many different frameworks that promote social impact measurement. This makes it difficult for organisations to choose the one that would be most comparable among organisations and introduces some non-transparency in the measuring and reporting processes.

6.5 TRAINING ON SOCIAL IMPACT MEASUREMENT

In this section, we discuss interest in training on social impact and its preferred format for potential participants in Slovenia.

First, we examined the potential participants for such trainings. Public administration organisations would be interested in such trainings and see potential participants in managers and project managers as well as those who are responsible for using this methodology on the operational level. In the profit sector, potential participants include management, sales personnel and those who would be responsible for carrying out such an analysis. However, the level of training for managers should be more on the level of understanding the concept. In contrast, employees who would carry out SROI analyses should be educated more in-depth about how to do such an analysis (i.e., all technical aspects). NPOs would be interested in such trainings on an organisational as well as a personal level, where participants would be managers and employees, especially quality assurance staff who, in practice, collect the data and report on it.

Second, we analysed what topics and skills on social impact are Slovenian organisations interested in. Public administration organisations are interested in how to determine effects on the society and how to measure them for specific projects as well on the county-level, i.e., to identify relevant links between the effects, identify synergies and to link them with the hierarchical higher and lower objectives of different documents. Profit sector organisations are interested in guidance about what actions and results of their organisation contribute to social impact and how to communicate the social impact they create to their stakeholders (employees, customers, public). NPOs would be interested in training covering the measuring of the impact, how to use analytical tools, what are good practices (how to measure, how to improve, how to integrate). It should not be a training that is only about understanding the essence and then showing what you learned about it. Still, it should have some initial introductory part (explaining what it is), and then the training should be directed to the 'how.' Peer training would be welcomed, as well.

Third, we studied and observed which training format would be preferred. Public administration organisations would accept offline as well as online training. Training should last 16 hours. They would prefer periodical training of 60-90 minutes. They prefer reading materials and case studies (in a workshop format). They further would like to receive a certificate. If there is an exam, they would prefer a project assignment. For potential participants from public administration, it is essential to have a knowledge exchange with other organisations on the SROI topic. They believe that good practices are also a source of good ideas. Public administration organisations would prefer training together with participants from other organisations, but with a particular focus on areas/industries/branches from where participants are from. They would also like training that would be focused on groups of similar organisations from public administration, e.g., ministries and government services. Public administration organisations would like to have follow-up meetings to exchange questions, examples from practice. As regards to the cost of such trainings, they should be covered by an organisation and be within the predetermined price range for such a training.

Profit sector organisations would prefer a blended type of training that would take up to 8 hours with more sessions of a maximum of 3 hours duration per single training, with videos and reading materials and also using workshops. For potential participants, the certificate is important, especially if it raises the impact of their CV. For them, the priority is on the content of the training. For potential participants from the profit sector, it is essential to have a knowledge exchange with other organisations on the SROI topic because one learns a lot from discussions with other participants. Profit sector organisations would prefer training together with participants from other organisations. They would like to have follow-up meetings to exchange questions, e.g., some sort of 'thematic gathering.' Regarding the training cost, they very much depend on the content and duration of the training, but the cost should be around 200-300 EUR per participant.

NPOs prefer a blended type of training that would take from 1-2 days (raising awareness and for understanding the concept) or up to 5 days for people who would do SROI analysis on the operational level. They would prefer periodical training in 90 minutes slots with the combination of videos and reading materials as well as face-to-face discussions. One of the interviewees pointed out that the explanations may be in video format, but it would be helpful to have written material as well to be able to go into more depth. This interviewee thinks that the certificate would be useful, especially at the organisational level. Still, they also see the advantage of receiving a document to be recognized as a certified social impact

evaluator. For potential participants from NPOs, it is imperative to have a knowledge exchange with other organisations on the SROI topic. NPOs would first prefer training together with participants from other organisations and then, in the second stage, in-house training with particular focus on their organisation. NPOs would like to have follow-up meetings to exchange questions. As regards the cost of such training, it all depends on a budget of a particular NPO, but they estimate the price range starts from 200 EUR and ends by 1,000 EUR, depending on the level and the duration of training.

To summarize, potential participants of SROI training are managers and employees who will be responsible for the operational level of an SROI analysis. The format of training should be different for those two groups of participants: for managers, there is a need for more awareness-raising training, whereas for lower-level employees, more in-depth training is suitable. Training should be focused on how to identify and measure social impacts and how to report them to stakeholders. Organisations are open to all kinds of training formats; however, they mostly prefer a blended type of training. Potential participants favour a combination of different types of materials. It would be valuable for them to receive a certificate, and they would also see benefits in an organisational certification process. They value training with participants from different organisations as this would enhance the learning process. For advanced training, they also see benefits in in-house training. It was difficult for them to determine the price range of such trainings. The majority mentioned a price in the range from 200 EUR for an introductory shorter course to 1,000 EUR for an advanced longer course.

6.6 CONCLUSION

Although at large Slovenian organisations integrate a social aspect into their missions, the acquaintance with social impact and its understanding vary a lot among the described types of organisations.

Public administration and the non-profit sector are aware of their social outcome on society and also report it to various stakeholders. Profit organisations are much less concerned about the social value they create and consider their products and services as their primary contribution to society while focusing on financial goals. Although some large companies implement CSR strategies and report on their activities, this is not typical for SMEs, who often do not feel accountable to general society. There is also a concern present among organisations in Slovenia that several various frameworks that promote social impact measurement and different measurement tools lead to non-transparency in the understanding, measuring and reporting of social impact.

In Slovenia, the potential participants of SROI training would be managers and the employees, responsible for the operational level of SROI analysis. The training for managers should focus on raising awareness, whereas, for lower-level employees, more in-depth training is desired. The preferable format is a blended one, meaning a combination of different types of materials, with a certificate at the end. During training, they would like to interact with participants from other organisations to share experiences, but for advanced training levels, they would prefer in-house training. They would be comfortable with a price ranging from 200 to 1,000 EUR, depending on the level and the duration of training.

To conclude, in Slovenia, there is no unified method used for measuring and reporting social impact. The stakeholders are generally satisfied with the quality of information reported and there seem to be no pressures from them for more elaborated measurement or reporting systems. Raising stakeholders' and media awareness and understanding of social impact, together with governmental initiative, is thus an essential pre-condition for increasing the weight given to social impact creation in performance appraisals. Further, a proposal of coherent and comprehensive measurement systems (a causal map type of linkages) is thus needed to promote social impact not as a PR project but a reasonable day-to-day business aspect of all kinds of organisation.

7 Conclusion and Recommendations

After an insight into the current practices of social impact measurement in Austria, Bulgaria, North Macedonia and Slovenia, we will now summarize the results, discuss, and derive recommendations for the design of an impact measurement-training programme.

When it comes to accountability and performance measurement in the analysed countries, it is visible that all players mostly focus their accountability within mandatory audits and align their performance management to the law. For the public administration, companies and NPOs this often includes financial reporting. In some countries the public administration also reports on their activities and in Austria even an impact-oriented controlling exists. Additionally, companies with more than 500 employees need to provide a non-financial statement on their social and environmental activities due to EU law. This often includes a reporting on CSR activities. However, these activities focus on the reporting of output indicators rather than on impact, meaning outcome indicators. In general, NPOs are particularly interested in communicating their impact. However, in all countries they are bound to reporting requirements set by founders, which often also do not include outcome indicators. Therefore, NPOs fulfil their accounting responsibilities towards funders and usually communicate their activities or stories of success to the public.

The understanding of social impact differs in all countries by types of organisations. In the analysed countries, the public administration understands social impact as the creation of a welfare state, the provision of social and health services and the creation of conditions for a high quality of life for citizens. Profit-oriented organisations understand social impact as the provision of goods and services, the creation of jobs and job satisfaction as well as the implementation of CSR activities. NPOs understand the creation of social impact as the core of their organisation anchored in their mission and in all their activities. For them, social impact means the improvement of living conditions of their target group.

In the analysed countries, the public administration has a high awareness on social impact but has little or even no experience in measuring it. In some countries like Austria and Slovenia the public administration tries to build up an impact measurement system but has difficulties in developing appropriate outcome indicators. Companies still focus on financial controlling systems, they have no experience with impact measurement and are not familiar with its methods like the SROI analysis. In all countries observed, NPOs or social enterprises are aware of the significance of social impact measurement. Some have heard about tools and analyses like the SROI analysis. However, they have very little or no experience in conducting such analysis or in building up impact-oriented controlling and reporting systems. Only a few organisations in Slovenia use frameworks like the Economic Rate of Return or the Business School Impact System, which however are only to a little extent outcome oriented. These organisations are highly interested in gaining knowledge and experience to better measure and communicate their impact on society.

Based on awareness and expertise regarding social impact measurement as well as with regard to the demand on a training programme expressed by the interviewees, the following recommendations for a training programme can be derived:

On the one hand, a training programme on social impact measurement should target funding agencies, which set reporting standards for NPOs and would like to develop new indicators to measure the success and impact of projects funded. On the other hand, quality or communication managers or head of departments of larger NPOs as well as CEOs of smaller NPOs should be targeted with such trainings which support them with measuring and communicating their impact on society to win over new financiers. Another target group is staff in the public administration, which is responsible for reporting and strategic planning. Finally, companies active in CSR activities as well as social entrepreneurs could be targeted with a training programme.

The content of a social impact measurement training programme must provide an introduction to social impact and methods of its measurement. This is important to reach a high number of participants and

raise awareness on this topic. Social impact must be defined and an overview of tools and methods to measure, interpret and communicate social impact should be provided. Moreover, the training must provide advanced knowhow on integrating social impact measurement in the monitoring and reporting processes of organisations. For those interested in conducting a SROI analysis, the methods of monetizing social impact must be explained. All in all, the training should include many hands-on advices and good-practice examples by using case studies.

As practical training is desired, networking and mutual learning should be given enough space in the training curriculum. A training should target people coming from different organisations instead of in-house training to foster the sharing of experiences.

Moreover, the training should be designed as a modular programme containing rather short sessions no longer than three to four hours. With regard to save time resources and the experiences during the Covid-19 pandemic, a blended learning programme is desirable. It has to be considered that some organisations do not have sufficient resources to attend fee-based trainings. Therefore, an introduction to the topic of social impact measurement should be free of charge to raise the number of participants and the awareness on the topic. Advanced modules could be fee-based depending of the national context.

To sum it up, a training programme on social impact measurement must be flexible to adopt to very different needs within the target group. The knowledge and awareness on the topic is rather low throughout the project region. An introductory session can raise participants' awareness of social impact measurement and show them how to integrate it into their own organisation. Building on that, participants should have the opportunity to choose more in-depth modules to suit their needs.

8 References

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