

(Tentative title) Purpose, numbers, and trust: Impact measurement challenges in an Australian Social Enterprise

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(Please note: This is an early draft of this work. It is one of the cases from my recently submitted PhD monograph)

The paper discusses the significance of numbers, via metrics, in the operational practices of social enterprises (SEs), emphasising that these metrics transcend traditional profitability assessments and present challenges in the definition and measurement of impact. The paper argues that the choice and implementation of impact metrics reflect the organisational actors' interpretation of "impact", which effectively shapes the organisation. In the context of SEs, the claims of impact are insufficient; and empirical evidence is increasingly required. The study employs Actor Network Theory (ANT) to analyse the multiple stakeholders' perspectives in an Australian SE, Health100 (pseudonym), which operates in the disability sector. The findings reveal various rationales and understandings around impact- borrowing the frameworks drawn from New Economics Foundations' (NEF) Prove/Improve toolkit, and Ormiston's (2019) categorised rationales. Moreover, the case highlights the tensions and negotiations involved in these practices.

The SE model seeks to address social and environmental issues through market-based solutions. However, this dual focus can create tensions between social missions and financial objectives. The research aims to delve into interrelated research objectives: organisational rationales for measuring impact and the challenges faced in measuring it.

The paper attempts to respond to calls for the need for a deeper understanding of calculative practices in SE context, particularly how impact or sustainability accounting is operationalised through impact measurement. It addresses the shifting meanings and rationales in impact measurement and the role of stakeholders in these processes. The literature review identifies a gap in understanding how social impacts are evaluated, with a

call for research to reframe the conversation around measurement of performance, via impact and beyond than just the organisation's financials.

The research employs a qualitative case study, utilising ANT to investigate the dynamics of impact measurement practices within Health100. The study involves interviews with various stakeholders, participant observation, and analysis of various organisational documents to capture the complexities of impact assessment for SEs.

The analysis reveals three key themes related to impact measurement:

1. There are multiple perceived purposes for measuring impact, including accountability, strategy development, and broader organisational learning. The study categorises rationales into “prove” and “not just improve” echoing NEF's Prove/Improve toolkit.
2. Different stakeholders, such as clinicians, managers, and beneficiaries- hold varying perspectives on the purpose and effectiveness of impact measurement, influenced by their operational role's proximity to beneficiaries.
3. The findings also illustrate the challenges the SEs face, including the need to balance financial viability while fulfilling social missions, the complexities introduced by (new and continuously developing) regulatory frameworks, and negotiation of conflicting interests among stakeholders.

This paper highlights the importance of understanding the interplay between impact measurement and the diverse objectives of stakeholders within SEs. It argues the need to align impact metrics with organisational purposes and emphasises the role of trust and power dynamics in shaping these practices. The paper, albeit an early draft concludes with a call for further research into the implications of these findings for the ongoing development of impact measurement practices within social enterprises.