Resumen
Las empresas sociales del gobierno, la sociedad y los financieros están bajo una presión creciente para demostrar su impacto social. Para hacer esto, las empresas sociales necesitan implementar evaluaciones de impacto social en sus organizaciones. Cabe destacar que existen muchos métodos y herramientas diferentes para la evaluación y medición del impacto, que a menudo no dejan en claro a los gerentes de empresas sociales qué es lo mejor para su empresa. Además, muchas metodologías de evaluación y medición del impacto social son suficientemente complejas y requieren competencias específicas, tiempo y otros costos adicionales. Sin embargo, la evaluación del impacto social es un proceso esencial, ya que ayuda a generar confianza en estas organizaciones por parte del público, las instituciones estatales y los inversores, para garantizar la transparencia de sus actividades y cumplir sus objetivos. Las empresas sociales son un fenómeno nuevo en los estados bálticos, por lo que es esencial aclarar la actitud de los líderes de la organización con respecto a la evaluación del impacto social y las prácticas que utilizan en sus organizaciones. Objetivo de la investigación: explorar la práctica existente de evaluación del impacto social de las empresas sociales en los estados bálticos. Se realizaron 20 entrevistas con gerentes de empresas de integración social.

Abstract
Social enterprises from government, society, and financiers are under increasing pressure to demonstrate their social impact. To do this, social enterprises need to implement social impact assessments in their organizations. It is noteworthy that there are many different methods and tools for impact assessment and measurement, which often make it unclear to social enterprise managers what is best for their enterprise. Also, many social impact assessment and measurement methodologies are complex enough and require specific competencies, time, and other extra costs. However, social impact assessment is an essential process, as it helps to build trust in these organizations by the public, state institutions and investors, to ensure the transparency of their activities and to meet their goals. Social enterprises are a new phenomenon in the Baltic States, so it is essential to clarify the attitude of the leaders of the organization to the social impact assessment and what practices they use in their organizations. Aim of the research: to explore the existing practice of social impact assessment of social enterprises in the Baltic states. The methodology of research: 20 in depth interviews with the jure and the facto WISE’s managers in the Baltic states were conducted.

Palabras clave
Empresa social; evaluación de impacto social; medición del impacto social.

Códigos JEL: M1, M12, G32, B55.

Fecha de recepción: 27/11/2019

Fecha de aceptación: 19/8/2020

SOCIAL IMPACT ASSESSMENT - IS IT A POSSIBLE CHALLENGE FOR SOCIAL ENTERPRISE?

EVALUACIÓN DE IMPACTO SOCIAL: ¿UN DESAFÍO POSIBLE PARA LA EMPRESA SOCIAL?

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1. INTRODUCTION

Social enterprises (hereafter “SEs”) are a relatively new phenomenon in the Baltic States, and they are still developing (Oborenko, Rivza, Zivitere, 2018). SEs are often small or medium-sized and operate in the local market (Raišienė, Urmanavičienė, 2017). Notably, there is a lack of official statistics on the actual size of the sector in the Baltic States and a lack of research on the activities of these companies in the Baltic States (Defourny, 2014).

Work integration social enterprises (hereafter “WISEs”) have become increasingly recognized in many countries and now constitute a major focus of policies promoting social enterprise (hereafter “SE”) (Defourny, Nyssens, 2017). WISEs - is a specific form of SE whose social purpose is to provide employment and integration opportunities for people who are disadvantaged or have no access to the labor market at all. It should be noted that WISEs devote most of their time and resources to working with the target group - not only organize their employment activities and develop skills, but also adjust their work environment, improve psychological climate, organizational culture, adapt and motivate these people to work, increase competencies to work in a team and adapt to both internal and external environment of the organization. The implementation of the social mission of a SE of this type requires a particularly large amount of time and other resources. Also, they have to take care of the financial sustainability of the organization. The implementation of a social impact assessment is of particular importance for these enterprises, as it helps to demonstrate the successful integration of people belonging to vulnerable groups. Moreover, social impact assessment is important for WISEs as it helps to identify those activities and programs that generate the greatest advantages for their beneficiaries and, at the same time to identify those that do not produce the intended effects. This way, the performance of the organization and its impact on the beneficiaries can be improved.

In addition, this type of enterprise often receives a variety of financial support from the state and EU funds, because reducing social exclusion and integrating vulnerable people are considered EU priorities. The implementation of assessment in these organizations is important to ensure the proper use of funds and accountability to various stakeholders. However, Grieco (2018) points out that the practice of social impact assessment is
not widespread among SEs, and their interest in implementing impact assessment is more theoretical than practical. It is, therefore, important to identify the existing situation in WISEs in the Baltic states. Because, according to Epstein and Yuthas (2014), implementation of social impact assessment in an organization is very important - without it, there is a high risk that the money, time, and other resources invested in the organization’s activities are wasted. However, authors of the Baltic States do not sufficiently research the implementation of social impact assessment. Social impact assessment implementation in Latvia was studied by Jurgelane and Lanka (2017). Researchers of the Baltic States in the field of SEs focus on the concept, development trends and opportunities of SEs (Līcīte, Dobele, 2010; Gurvits, Nikitina-Kalamaea, Sidorova, 2015; Greblikaitė et al., 2016; Raišienė, Urmanavičienė, 2017). There is a significant lack of research on social impact assessment and its implementation.

The aim of this study - to identify the existing practices of social impact assessment implementation in WISEs in the Baltic states. To achieve this goal, the following tasks are addressed: 1) to reveal theoretical aspects of social impact assessment and measurement in SEs; 2) to disclose the attitudes of the Baltic states social entrepreneurs to the implementation of social impact assessment in their organizations and their challenges; 3) to identify the tools social entrepreneurs use in their organizations to assess and measure social impact. The study focuses on SEs and their capacity to implement social impact measurement in their organizations. Applied research methods are analysis of scientific literature, an in-depth interview with SE managers, content analysis. The article consists of 5 chapters. The first chapter is introduction, the second one analyses theory of social impact assessment and measurement; the third one presents research methodology; the fourth one introduces the empirical research findings; and the fifth one presents conclusions.

2. SOCIAL IMPACT ASSESSMENT AND MEASUREMENT IN SOCIAL ENTERPRISES

The scientific literature (Arena, Azzone, Bengo, 2015; Zeyen, Beckmann, 2018) defines social impact assessment as the process of analyzing, monitoring, and managing social change in society as a result of SE activities (Grieco, Michelini, Iasevoli, 2015; Grieco, 2015). According to Hehenberger et al. (2015) this process consists of the following steps: 1) setting objectives (defining the scope of impact analysis, the level and the desired social change to be achieved); 2) analyzing stakeholders (identifying potential stakeholders which need to be involved to these processes); 3) measuring (setting relevant parameters by which the SE will plan its intervention, and how the activity achieves the outcomes and impacts; identifying
measurement tools; measuring the targeted outcomes and impact); 4) verifying and valuing impact (verifying that the logical implications are strong enough and that the impact is valued by the key stakeholders); 5) monitoring and reporting (integrating this information into the management system and reporting data to relevant stakeholders).

Also, it is essential to mention that social impact assessment becomes one of the critical aspects in analyzing whether an organization's social mission has been achieved (Grieco, 2018). According to Bengo et al. (2016) use various measurement methods and tools to understand the value of social business organizations and to demonstrate the impact they generate. Social impact assessment methodologies and tools are analyzed and developed not only by academics but also by practitioners, representatives of various institutions, policymakers, funders, etc. In recent years, the best ways and models to measure and assess the social impact of SEs have been actively sought (Bagnoli and Megali, 2011; Hadad and Gauca, 2014). Epstein, Yuthas (2014) distinguish between the main approaches that have been developed to measure social impact: qualitative research, quantification, monetization. Each of these approaches has its strengths and weaknesses, but the choice of how the measurement is made should depend on the goals of the assessment.

The first approach is based on the application of qualitative research. Qualitative research - systematic, in-depth study that may include field visits, structured interviews, focus groups, case studies. High-quality qualitative research also requires a great deal of effort: the systematic formulation of research design and the testing hypothesis that is directly related to the logical model. The second approach is based on quantitative research. Measurements should be made by analyzing large amounts of data and reporting those data in numerical form. This usually involves direct measurements, such as questionnaires. This approach is most often chosen because sponsors and investors require quantification and presentation of performance. Companies often report results such as how many participants participated in the program, how much money was spent per participant, how many services were provided, and so on. However, some organizations try to quantify not only the output but also the outcome for the beneficiaries. The third approach is based on the monetary impact assessment. In essence, it is a quantification that converts a measured effect into a monetary value. Social change has monetary consequences that we can measure. Such measurements can be necessary for social program evaluation and decision making.
According to Luke (2016), the scientific literature dealing with the measurement of social impact focuses on quantitative and monetization approaches. Methods such as social return on investment (SROI), social accounting and auditing, cost-benefit analysis (Luke, 2016) are often analyzed in social impact measurement studies. Financial and economic performance is essential, according to Arena et al. (2015), Bagnoli and Megali (2011), financiers can see the financial returns to whom their funds have been spent and decide whether they have appropriately invested. In this way, SE can reap even more significant financial benefits and create even greater social impact (Bagnoli and Megali, 2011; Arena et al., 2015). However, according

<table>
<thead>
<tr>
<th>Approach</th>
<th>Strengths</th>
<th>Weaknesses</th>
<th>Methods</th>
</tr>
</thead>
<tbody>
<tr>
<td>Qualitative</td>
<td>Social impact nature is qualitative thus qualitative research helps to reveal the broader and in-depth effects of social mission</td>
<td>High-quality qualitative research also requires a great deal of effort: the systematic formulation of research design and the testing hypothesis that is directly related to the logical model</td>
<td>Theory of change, structured interviews, focus groups, case studies</td>
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<tr>
<td>Quantitative</td>
<td>Possible to analyze large amounts of data and report those data in numerical form. Stakeholders usually are requesting quantification of results</td>
<td>Requires knowledge of statistical and mathematical methods</td>
<td>Surveys, statistical data analysis</td>
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<td>Monetization</td>
<td>It helps to express social benefits in monetary terms and make them understandable to other stakeholders as investors, funders. Monetary value allows to compare very diverse SEs</td>
<td>Focusing on an organization’s economic aspects can lead to a situation where there is a lack of information on the broader realization of the social mission. It's difficult to monetize such human and social capital effects at the individual and community levels</td>
<td>SROI, COST Benefit analysis</td>
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to Liket (2011), the social impact of SEs is often challenging to monetize and quantify. This is due to the qualitative nature of the social impact itself (Mass, Liket, 2011). Monetization and Quantitative measurement tools are widely criticized for a number of reasons (Luke, 2016) - not all the benefits that an organization produces can be quantified or presented in financial terms (Grieco et al., 2015). Hadad and Găucă (2014) point out that it is particularly tricky to financially express the psychological changes that occur in the lives of vulnerable groups, such as increased self-confidence or greater dignity (Hadad and Găucă, 2014). Second, using only quantitative indicators for impact assessment carries a reasonable risk that stakeholders, in too narrow a sense, can understand the social impact that an organization produces. Focusing on the organization’s economic aspects and monetary value can lead to the situation where there is a lack of information on the broader realization of the social mission (Bagnoli, Megali, 2011). According to Grieco (2015), financial indicators should not be of primary importance, even if there are difficulties in conceptualizing and measuring social mission accomplishments. A more comprehensive implementation of the social mission is facilitated by the disclosure of qualitative performance indicators that are related to the qualitative nature of the social goals of the organization (Luke, 2016). Thus, all approaches are important and can help an organization provide detailed information about the social impact it creates.

Most researchers agree (Luke et al., 2013; Arena et al., 2015) that it is essential that the assessment models and measurement tools are chosen by the organization are linked to the organization’s objectives and that stakeholders’ interests are taken into account. Choosing the right measurement methodology can be difficult because it is essential to have a clear understanding of the various information needs of stakeholders (Grieco et al., 2015; Arena et al., 2015). Amati, Bego et al. (2017), Crucke and Decramer (2016) note the lack of common standard measurement indicators and computational methodologies that could be used to jointly determine the success of all SEs. However, it is essential to note that companies differ widely in their areas of activity, nature, and size as they pursue different goals, which makes it very difficult to establish standard criteria against which the impact of all SEs can be measured and compared. The characteristics and differences of SEs make it impossible to identify a single model that fits all. According to Grieco (2015), there is no single tool or method that can capture the full range of social impact that can be created or that can be applied by all companies. In this context, it can be concluded that it is vital for a SE to take into account the area in which it operates, the nature of its activities, its objectives, and the resources available when choosing its methodology and indicators.
Maas and Liket (2011) estimate as many as 30 methodologies for measuring social impact. They are all very different in their goals, time perspective, orientation, attitude, micro, mezzo, macro (Maas and Liket, 2011). According to Grieco (2015), many existing assessment methods and tools can complicate the implementation of social impact assessment in an organization, as social entrepreneurs face obstacles in choosing the best method that suits their organization from such diversity. Despite many standardized social impact methodologies, only a few of them are emphasized or slightly modified, most often in the scientific literature (Grieco, Michelini, Iasevoli, 2015; Grieco, 2015; Maas and Grieco, 2017) and thus create new ways of measuring exposure.

Impact measurement methods provide methodological guidance on how to measure impacts and outline the procedural steps that should be taken to evaluate the effects produced. It is also noteworthy that many researchers (Arena et al., 2015; Luke, 2016) emphasize that these standardized methods are expensive, complicated, and time-consuming and require particular expertise. According to Costa and Pesci (2016), Grieco (2017), standardized exposure measurement methods particularly require large-scale internal and external data collection and statistical analysis. However, it is essential to note that many SEs are small or medium-sized and therefore have relatively limited resources, both human and financial (Syrjä, Sjögrén, Ilmarinen, 2015), and challenging to collect and analyze these data themselves. According to Grieco (2018), the use of these methodologies by SE managers is understood as a resource-consuming process: human, time, skills. It is noteworthy that Epstein, Yuthas (2014), Grieco (2018) note that companies seeking to implement social impact assessment in their organizations can design their assessment systems. The use of such systems is usually based on the use of the theory of change.

However, according to Zeyen, Beckmann (2018), such an organization’s evaluation system, as well as the use of standardized methods, requires considerable time and resources, evaluation competencies in the organization. As a result, organizations rarely commit to designing and implementing these systems within their organizations. In the scientific literature, the main barriers that prevent SEs from implementing social impact assessment are lack of resources and competences (Barraket and Yousefpour, 2013; Grieco, 2015, Amati, Bengo, 2017). Also, data collection and monitoring take much time. Employees are usually loaded with other tasks and cannot spend time on measuring social impact. Also, managers can not afford to send staff to the training or buy services from external consultants. The second problem relates to the choice of models and metrics that can be used to measure social impact. There are many models, and usually, nobody in the organization has the specific ability and competences
to choose and implement the best approach for measuring the impact. This problem is also connected to the lack of internal competencies for this process. To find out whether this gap between theory and practice exists in the Baltic states, the empirical study of SE managers’ interviews in the Baltic context continues. If so, it is important to determine what would encourage managers to implement social impact assessment in their organizations.

3. RESEARCH METHODOLOGY

Due to the lack of relevant knowledge about social impact assessment implementation practice (Lanka, Jurgelane, 2017; Grieco, 2018), the research aims to fill the gap in how social entrepreneurs in the Baltic States implement social impact assessment. The goal of the research was twofold: 1) clarify the attitude of the leaders of the organization to the social impact assessment; 2) reveal practices of social impact assessment implementation in their organizations.

The methodology of research: 20 semi-structured interviews with WISEs’ managers in the Baltic states were conducted. 20 experts were invited to participate: 10 from Lithuania, 5 from Latvia, 5 from Estonia, which meets these selection criteria: 1) Managers of the dual missions’ organizations (legally recognized SEs - de jure and de facto); 2) working in SEs, whose field of activity is work and social integration of groups of affected persons; 3) whose management experience is longer than 1 year. This period of management experience has been chosen because the social business sector in the Baltics is quite young, developing, and research has also revealed that SEs in their fifth year of operation often suffer a breakdown (Katre, Salipante, 2012). WISEs in the Baltic States operate in two directions: de jure SEs exist in Lithuania and Latvia, they are granted the legal status of SE, and de facto SEs exist in all Baltic States. De jure SEs have access to various benefits, such as tax breaks and subsidies. De facto SEs are mostly non-profit organizations in the Baltic States, which have acquired the legal status of foundations, associations and try to apply various business models in their activities. It should be noted that such enterprises are not legally recognized and, as a result, cannot benefit from the privileges of SE law.

Defourny, Nyssens (2017) in their research presented major SE models: entrepreneurial non-profit, public-sector SE (PSEs), social cooperative, social business, which they adapted to WISEs. It’s important to mention that there is a lack of cooperatives tradition in the Baltic states. WISEs are not sufficiently promoted by local public bodies in Latvia and Lithuania. However, mostly in Estonia WISEs are historically connected with local municipalities and serve the needs of municipalities; The most common models of WISEs in the Baltic states are entrepreneurial non-profits and social businesses. Entrepreneurial non-profit type WISEs are founded and
managed by civil society actors: social workers, community activists, etc. These initiatives are of the “general interest” type. Some WISEs may also correspond to the social business model, especially when they take the form of SMEs, combining a for-profit motive with the aim to create jobs for vulnerable groups. These enterprises usually adopt commercial forms of ownership, but their willingness to develop economic activities goes hand in hand with an explicit social mission.

The study was conducted between May 2018 and September 2018. Fifteen interviews with the managers of Lithuanian and Latvian SEs took the form of face-to-face interviews, and the other five interviews with the managers of SEs in Estonia were conducted remotely using information and communication technologies like email, skype, and phone.

The experts were encoded as follows: Lithuanian experts - In_LT_1, In_LT_2, In_LT_3, In_LT_4, In_LT_5, In_LT_6_soc, In_LT_7_soc, In_LT_8_soc, In_LT_9_soc, In_LT_10_soc; Latvian - In_LV_1, In_LV_2, In_LV_3, In_LV_4, In_LV_5; Estonian - In_EST_1, In_EST_2, In_EST_3, In_EST_4, In_EST_5. For the in-depth interview study, interview guidelines were developed highlighting future interview topics: the benefits of social impact assessment for SEs, social impact assessment and measurement tools in SEs, barriers to implementing social impact assessment in organizations. Selected topics helped expose impact assessment practices in SEs. Collected information was then content-analyzed using the Atlas.ti software for qualitative data analysis.

4. RESEARCH RESULTS

The study revealed that managers of SEs in all three Baltic States understand the importance of implementing social impact assessment for SEs. However, the reasons why managers see the benefits of implementing a social impact assessment have been singled out. Some managers pointed out that social impact assessment is important for an organization to improve its operations: The goal for SEs or businesses is not to generate profit but to offer valuable services to people with disabilities, their network, or other stakeholders. To do this, we need to value our work as a foundation for improvement (In_EST_1). Other respondents indicated that this can give confidence in their activities: I believe it can give them a stronger position. You can specifically tell people and show numbers, charts, history. However, another section stressed that impact assessment is an important tool for reporting to stakeholders: This demonstrates the social responsibility of SEs; it promotes activity; perhaps it would be one of the tools to publicize the activity, talk about the problem, introduce our working method (In_LT_1). It can also help raise financial resources: It would be helpful. This could help attract more supporters. Not only could they visit, they could learn about the
benefits that members of the association bring (In_LV_1); The valuation would help reveal the benefits we create to an even broader group of investors (In_LV_2); Donors or any other stakeholder want evidence and thus easier access to funding or fundraising (In_EST_5). Thus, a survey demonstrates that SE managers understand the importance of implementing social impact assessment for SEs.

The interview showed that only a few companies in the study were carrying out systematic, regular social impact assessments, although other respondents also said they were carrying out impact assessments. However, the analysis of the assessment methods they use (see Figure 1) and the other information they provide revealed that only two de facto SEs (one in Latvia and one in Estonia) carry out a systematic social impact assessment. Estonian SE uses qualitative (interviews) and quantitative (statistical data analysis) approaches to carry out impact assessments, and a Latvian organization uses a survey - quantitative approach to carry out impact assessments. They evaluate voluntarily. Latvian company is motivated by the desire to learn from the results, while the Estonian company says it wants to attract funding and sponsors. Furthermore, other respondents - what they call implementing social impact assessment in their organizations is not systematic, regular social impact assessment.

Figure 1. Impact measurement tools.
Several study participants indicated that they use descriptive methods to implement social impact assessment in an organization (In_LT_5); (In_LV_5). However, Epstein, Yuth (2014) point out that this method is not sufficient for a thorough examination of the social impact and should be combined with qualitative and quantitative research. Other respondents distinguished between qualitative and quantitative evaluation. Regarding qualitative assessment, only one Estonian respondent regularly conducts systematic qualitative research: Qualitative methods help to record stories of change, personal development, and improvement that are told by former offenders. We collect qualitative data through informal interviews to refine personal stories (In_EST_5). Another Estonian respondent also stated that he was conducting a qualitative assessment, but analyzing his statements suggests that it is not a social impact assessment because it is conducted irregularly and not systematically: One of the methods we use is verbal (interview), but the tool can be dependent on the requirements of the sponsor, contract or service/project sponsor (In_EST_4). The study found that one Estonian participant uses statistical data analysis: data are collected on the number and severity of offenses / and are compared every six months (In_EST_5); The Latvian respondent stated that we are conducting surveys of individuals and their family members, and we have surveys. At the end of each year, we prepare surveys: what is right, what is not, what you want more, what you can improve. We submit the survey to visiting people and their family members (In_LV_4). Other respondents mentioned that they collect quantitative data on output in the logical chain: This is a quantitative indicator of the number of people involved in educational activities. This is what we calculate, measure annually (In_LT_3); We collect quantitative data such as headcount, number of events and attendance and use it for marketing purposes (In_LV_2); We collect data on how many individuals participated in our activities (In_EST_4).

However, it should be noted that Grieco (2015) points out that direct output is not classified as a social impact. Impact assessment is a shift from output to outcome measurement (Epstein, Yuthas, 2014). Respondents, when talking about social impact assessment methods during the survey, emphasized various reports to funders and annual financial reporting. However, it is noteworthy that in these reports, respondents generally report output, in terms of services provided, the number of individuals involved, feedback from participants, without observing and analyzing changes to beneficiaries and other long-term changes. De jure SEs in Lithuania have stated that they provide employment services with data on the number of persons employed and draw up compulsory integration plans: This is what we do because there are obligations, but to do statistics, what not (In_LT_7_soc); We provide social integration plans to the exchange. Provide the Labor Exchange with the reports it requires, data on the number of...
people employed, and integration plans for the implementation of disability integration (In_LT_8_soc); We do not evaluate the impact created, but we do provide data to the stock exchange every month on how many disabled people we employ, and this is not made public (In_LT_10_soc). It is noteworthy that the employment service does not require the reporting of changes to the beneficiaries (outcome). It is enough for these companies to provide data on the number of persons employed, which is a direct result of their activities (output). Thus, de jure SEs account for the funding they receive in this way, but such reports are not supposed to disclose changes made by enterprises to the beneficiaries or the broader public and may lead to misuse of funds. Several respondents cited other tools as impact assessment methodologies: Customer feedback on services provided: The highest evaluation is what people leave in the feedback book after the program; We invite volunteers and people involved in education to share their feedback, memories (In_LT_3). One manager identified a personalized service plan as an impact assessment tool. Other contributors have shown that they engage in various informal discussions and monitor their beneficiaries. This analysis of methods and tools reveals the lack of knowledge and understanding among social executives, both de jure and de facto, about the measurement and implementation of social impact itself.

It is noteworthy that some respondents plan to implement social impact assessment in the future; some do not see the point at all and consider it to be a waste of time. The managers of de jure SEs in Lithuania did not see much sense in implementing the evaluation. In their opinion, these are just additional formalities for the company: We do not appreciate, do not think so much (In_LT_9_soc); Only the formalities, the paperwork, the lack of time is added, so far we see no benefit. No reports or assessments make the company social, just another added burden (In_LT_8_soc). It is noteworthy that de jure SEs in Lithuania receive subsidies from the state, but most of all, participants do not see the meaning of implementing social impact assessment in their organizations. Grieco (2018) found that SEs positively evaluate the implementation of social impact assessment in SEs, but do not implement it or do it irregularly in their organization. Thus, this interview with Baltic CEOs confirms that there is a gap between the attitudes of social executives to the importance of implementing social impact assessment in SEs and their behavior - organizational assessment practices.

The study identified the following barriers to implementing social impact assessment in organizations: lack of competences, lack of time, and other resources. It is noteworthy that this barrier was emphasized by both de jure and de facto executives of SEs in the Baltic States. Managers also pointed out that these companies are small organizations and, therefore, do not have the resources and time to do everything: The topic of impact
and its evaluation has just begun. I would say for about two years we have been there and heard and trying to jump on that train, but we are tiny, and it is too difficult for us to do it ourselves (In_LT_3); I do not doubt that there are already developed methodologies that we could use. When you are a small organization, it’s difficult to find time and start doing it (In_LT_5). These organizations make better use of the time available to support their core social mission of helping vulnerable groups: We work with people who need help here and now. We cannot do such things where our main task is to help members (In_LV_1), and most of the time companies spend on improving the quality of the products or services they produce, selling goods or services: It takes time. It is better to spend that time on sales (In_LT_2); So far, we are too small, our clientele is too small. We have to publicize the name, grow our customers. We must grow up (In_LT_2); Our services are currently precarious, and we do not have time to make an impact assessment (In_EST_3). Managers also pointed out that companies lack awareness of good social impact assessment practices: There is no good practice experience from other organizations, partners (In_LT_10_soc).

Respondents differed on the topic of what would encourage SE managers to implement social impact assessment in their organizations. Some reported that this was due to internal causes, while others said that the external environment of the organization would encourage an impact assessment (See Figure 2).

The following internal causes have been identified: the desire to make sure that the activity is delivering benefits, increasing productivity, and internal attitudes that need to be implemented and must be a priority for the organization. Other respondents noted that they would be encouraged to

Figure 2. Social impact measurement’s implementation motivation

Source: Compiled by the Author with Atlas.ti
implement impact assessments through training, good practice: We would plan to carry out evaluations if we were to be introduced to methodologies, ethical practices, and then we would implement (In_LT_10_soc); It would be good if someone could train us. We would certainly take advantage of that (In_LV_1); If the organizations with that knowledge shared the tools (In_LT_4). Some of them indicated that they would be encouraged to carry out evaluation only if so requested by the donors: Unambiguously only donors, if they required evaluation (In_LV_3); if sponsors liked to see our results (In_LV_4); Anyway, I think it should be mandatory. If there is some financial aid (funding) for social business, then I would think that this evaluation should be done, it should be done so that there are no obscure things (In_LT_4). Thus, executives would be encouraged to implement social impact assessment in the absence of donor requirements, training, dissemination of best practices, and the development of their attitudes that social impact assessment is a priority activity of the organization, mainly the development of a social impact assessment culture in the Baltic States, or claims from funders for SEs. Public authorities and other donors should, therefore, require SEs to carry out systematic social impact assessments in their organizations when allocating funds to SEs and for their transparent use.

5. CONCLUSIONS

Social impact assessment is currently not mandatory in the Baltic States, and the legal acts do not provide for obligations to carry out a social impact assessment, which is a voluntary commitment of the organization. The implementation of social impact assessments for the WISEs is very important, as it helps to identify activities, programs that best help integrate vulnerable people, as well as prove that the funds allocated to them are used properly and successfully. Thus, this research seeks to reveal WISEs’ interest and capacity to implement social impact measurement.

The study revealed that managers of WISEs in all three Baltic States understand the importance of implementing social impact assessment for SEs. However, the research revealed that social impact assessment is interpreted differently. Organizations measure social impact according to their understanding and capacity. The research revealed that only a few enterprises conduct a systematic social impact assessment. One Estonian SE uses qualitative and statistical data analysis methods for impact assessment, while another Latvian organization uses surveys for impact assessment. None of the organizations use one of the most standardized methods of measuring social impact. They use the tools they have created.

Other respondents also state that they are carrying out a social impact assessment in their organizations. However, after analyzing methods and other information they provided, it turned out that some of the enterprises
considered and used these tools: annual financial reporting, reports for funders (A summary of statistical and financial data), experience stories (storytelling method), some enterprises collect quantitative data, but are limited to output estimates. This shows that managers of SEs have a lack of understanding of what social impact assessment is and what should be evaluated. Thus, it can be confirmed that there is a gap between theory and practice, and social impact assessment practices are not widespread in WISEs in the Baltic states.

Some of the respondents plan to carry out an impact assessment in the future, and some do not see any sense and think it would be a waste of time. Mainly the heads of de jure SEs in Lithuania did not see the meaning of the evaluation. In their view, this is only an additional burden on the company through formalities.

Barriers do not differ from those mentioned in theory. The study identified the following barriers to implement social impact assessment. Managers - employees have a lack of knowledge and competencies about social impact assessment methodologies, tools. Lack of resource and time - since organizations working in the field of employment work with target groups, they make better use of that time and other resources for their core social mission - helping these people, and also devote most of their time to improving the quality of products or services provided, sales. Besides, managers pointed out that the companies lacked awareness of good social impact assessment practices from other organizations and partners.

The research showed that the implementation of the organization’s dual mission limits the organization’s ability to overcome these existing barriers, therefore the support of external environmental organizations, investors, experts, practitioners for the implementation of social impact assessment is very important for organizations. It is also significant to motivate and educate companies’ managers and employees to develop their understanding and provisions that social impact assessment should be one of the priority areas of the organization. Thus, there is a general lack of culture of social impact assessment in organizations in the Baltic States, and this is a significant factor in bridging the gap between the interest in implementing assessment and the implementation of social impact assessment practices.

The paper also has some limitations. It’s important to mention that statistical data about de facto WISEs in the Baltics were not available, that’s why purposive sampling has been used; thus, the study does not represent the unknown proportion of the entire population regarding the WISEs in the Baltic states. Moreover, this study is mainly focused on WISEs impact measurement. There is a future research opportunity to conduct research focusing on other types of social enterprises impact measurement practices. Despite these limitations, the WISEs managers interviews have allowed to receive meaningful information for the research in the specific research area.
6. REFERENCES


