ELSEVIER

Accountability for social impact: A bricolage perspective on impact measurement in social enterprises

Greg Molecke [a,c], Jonatan Pinkse [b,*]

[a] ESSEC Business School, 3 Avenue Bernard Hirsch, CS 50105 Cergy, 95021 Cergy-Pontoise Cedex, France
[b] Alliance Manchester Business School, University of Manchester, Denmark Road, Manchester M13 9NG, United Kingdom
[c] Grenoble Ecole de Management, 12 Rue Pierre Semard, 38000 Grenoble, France

ARTICLE INFO

ABSTRACT

To fulfill external accountability expectations social impact measurement has become an important practice for social enterprises. Yet, the ambiguity around social impact and its measurement leads to a friction among stakeholders involved in a social enterprise. Based on interviews with small-to-medium-sized social enterprises, this paper investigates how social entrepreneurs handle the increasing pressure to measure social impact with formal methodologies through a bricolage lens. The findings show how social enterprises combine material and ideational bricolage as well as seek to delegitimize formal methodologies to increase the legitimacy of their bricolaged approaches for social impact measurement.

© 2017 Elsevier Inc. All rights reserved.

Executive summary

Social enterprises have been subject to a trend toward the rationalization and marketization of their management and accountability (Ebrahim et al., 2014; Eikenberry and Kluver, 2004). Funders increasingly expect formal methodologies for social impact measurement, based on performance measurement and reporting practices borrowed from the fields of accounting and finance. However, due to the ambiguity about the nature of social impact (Choi and Majumdar, 2014); the relationship between social enterprises' interventions and social impact (Ebrahim and Rangan, 2014); and the methodologies to measure social impact (Nicholls, 2009), social impact measurement is a contested practice (Choi and Majumdar, 2014; Mair and Martí, 2006; Paton, 2003). This ambiguity leads to frictions within and among the various different stakeholders involved in a social enterprise. One friction, for example, relates to a lack of definitional clarity of social impact. Another friction refers to the underlying assumption of most formal methodologies of a 'causal chain' running from inputs, to outcomes and impacts, respectively (Ebrahim and Rangan, 2014). Yet, practitioners with experience in implementing such formal methodologies tend to stress the opacity of this chain. They contend that social impact is difficult to understand with precision, much less calculate (Ebrahim and Rangan, 2014; Emerson, 2003). Moreover, even if there are many ways to measure social impact, the lack of conventions makes accountability to multiple stakeholders and for multiple purposes challenging (Ebrahim et al., 2014). While the frictions inherent in social impact measurement are well established in the literature (Ebrahim and Rangan, 2014; Emerson, 2003; Kroeger and Weber, 2014; Nicholls, 2009), less well understood is how social enterprises contend with these frictions. It is important to create insight into how social entrepreneurs deal with such frictions, because the practice of social impact measurement is no longer exclusive to social entrepreneurs. For-profit entrepreneurs also increasingly consider their impact on society, which implies that the practice of social impact measurement is gaining relevance beyond the social sector.

* Corresponding author.
E-mail address: jonatan.pinkse@manchester.ac.uk (J. Pinkse).

Based on a qualitative study of twenty-two social enterprises, we find that their social impact measurement practices can be explained with the concept of bricolage (Baker and Nelson, 2005; Lévi-Strauss, 1962; Mair and Marti, 2009). Our interviews suggest that the formal methodologies were largely unused among the social entrepreneurs. Instead, we show how social enterprises used elements of material and ideational bricolage to develop self-constructed accounts of their social impact that made-do with at-hand data and interpretations – elements which were often rejected or underutilized in formal methodologies. Besides, we find that social entrepreneurs used four lines of critique to delegitimize formal methodologies: that is, with these methodologies social impact is immeasurable; the data collection is an imprudent investment; the underlying theoretical logic is incomplete to establish the link between inputs, outcomes and impact; and, the resulting measures are irrelevant to predict future success or guide decision-making. The social entrepreneurs employed these critiques with the aim of creating voids of legitimacy in the formal methodologies; voids that provide them the interpretive flexibility to blend in alternative forms of data and ideas.

By uncovering how social entrepreneurs delegitimize formal methodologies for social impact measurement and use a combination of material and ideational bricolage to measure social impact in a socially constructed way, we make three main contributions to the literature. First, we suggest that social entrepreneurs use a combination of material and ideational bricolage to measure their social impact. Bricolage serves as a mechanism to retain diverse types of information and more intuitive ideas of how to account for social impact that in social entrepreneurs' perception were underutilized, undervalued, or discarded in the move to formal methodologies for social impact measurement. Second, we identify the integral role that delegitimization plays in the process of ideational bricolage. Formal methodologies, to the degree that they define specific systems which stipulate how to collect and interpret data, represent limitations for social entrepreneurs in creating their social impact accounts. We consider delegitimization a key component of bricolage in the context of social enterprises, because it allows entrepreneurs to create space for new ideas about what social impact means in their specific context (Carstensen, 2011). Third, we argue that bricolage serves as a critical response to the importation of performance measurement and reporting practices from accounting and finance. We discuss how attempts to borrow external theories can cause frictions because they may not be appropriate to the social sector. Social entrepreneurs rather prefer to blend these theories with their own ideas of social impact (Oswick et al., 2011).

1. Introduction

To fulfill external accountability expectations, to attract financial and other types of support, and to gain better insights in how to optimize operations, social impact measurement has become an important practice for social enterprises (Ebrahim et al., 2014; Ebrahim and Rangan, 2014; Nicholls, 2009). Yet, this practice is contested (Choi and Majumdar, 2014; Mair and Martí, 2006; Paton, 2003). There is ambiguity, for example, about the nature of social impact (Choi and Majumdar, 2014); the relationship between social enterprises' interventions and social impact (Ebrahim and Rangan, 2014); and the methodologies to measure social impact (Nicholls, 2009). An underlying reason for this ambiguity is that, in contrast to accounting conventions for financial performance assessment, there are no generally agreed-upon methodologies or units for social impact measurement (Ebrahim et al., 2014; Kroeger and Weber, 2014; Nicholls, 2009). Many competing methodologies for social impact measurement exist, each with its own strengths, weaknesses, and purposes (McLoughlin et al., 2009). Moreover, it has been argued that social enterprises' accountability to multiple stakeholders with disparate expectations and understandings is a relatively more critical problem than it is for for-profit firms (Ebrahim et al., 2014). Social enterprises thus feel compelled to show different evaluations of their social impact to their different stakeholders.

The ambiguity around social impact and its measurement leads to frictions within and among the various different stakeholders involved in a social enterprise. On the one hand, the trend toward the rationalization and marketization of the social sector (Ebrahim et al., 2014; Eikenberry and Kluver, 2004) has led funders such as foundations, governments and other types of impact investors, as well as social entrepreneurs themselves, to increasingly value and expect formal measurements of social impact. Such formal methodologies for social impact measurement aim to create objective and empirically-based measures that capture the social impact of an organization, often with a goal of increasing standardization, verifiability, and accountability. By importing performance measurement and reporting practices from accounting and finance, funders and social enterprises aim to replicate the efficiency and accountability that such practices have afforded for-profit organizations to better run their organizations and to optimize their funding decisions (Brest et al., 2012; Ebrahim and Rangan, 2014; Kroeger and Weber, 2014; Nicholls, 2009; Rourke, 2014). On the other hand, attempts to integrate formal impact measurement into the social sector has revealed great challenges (Ebrahim and Rangan, 2014). As Emerson (2003: 40) argued, 'any who advocate the social sector be held to greater accountability and reporting on the progress achieved toward the attainment of societal goals are told in no uncertain terms that, indeed, "some things simply can't be measured and social value is one of them"'(Emerson, 2003: 40). While there is myriad of methods to measure social impact, the lack of conventions makes accountability to multiple stakeholders and for multiple purposes challenging (Ebrahim et al., 2014). Practitioners seem to share an unease about social impact measures not capturing their 'true impact' and doubt the effectiveness of social impact measurement to improve the outcomes of their interventions (Ebrahim and Rangan, 2014). Since social enterprises 'purposely locate their activities in areas where markets function poorly' (Di Domenico et al., 2010: 683), they also face severe resource constraints that can hinder the practice of social impact measurement (Nicholls, 2009). While the friction inherent in social impact measurement is well established in the literature (Ebrahim and Rangan, 2014; Emerson, 2003; Kroeger and Weber, 2014; Nicholls, 2009), less well understood is how social enterprises contend with this friction.

Based on interviews with small-to-medium-sized social enterprises, we investigate how social entrepreneurs handle the increasing pressure to measure social impact with formal methodologies. As is evident from the extant literature (Ebrahim and Rangan, 2014; Emerson, 2003; Nicholls, 2009), social enterprises do not seem to unquestioningly comply with this pressure. Rather, they seek to balance the benefits of using formal methodologies with the costs of developing unfamiliar skills and redirecting attention