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# A Cook's tour: Towards a framework for measuring the social impact of social purpose organisations

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## ABSTRACT

For over 50 years Operational Researchers have advocated that Operational Research (OR) could be considered as a useful set of ideas and methods for the benefit of society. However, this aspiration, while still chiming today, has yet to realise its full potential. This paper focuses on organisations whose remit is to alleviate social problems, and therefore have a social purpose. They are under considerable pressure to demonstrate the impact of the work they do. However, showing the value of these organisations is not easy. The paper contributes to this research gap by developing a framework for measuring the impact of social purpose organisations. This is accomplished by bringing together current research on Sen's capability approach and configurational theory, and arguing for an integrative view to show the value of social purpose organisations.

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## 1. Introduction

In his article *Operational Research, Social Well-being and the Zero Growth Concept*, published in 1973, Cook asserted that "Operational Research (OR) can be regarded as the use of science and scientific methods to influence decisions to the benefit of society" (Cook, 1973: 648). However, in this regard, he forewarned that OR must (re)-examine its social role in the context of the challenges in a rapidly changing world. Cook's view still seems to resonate within the OR community 40 or so years later (a consequence of which is the rebranding of OR in the UK as the 'Science of Better'). Noting that the social role for OR remains a neglected area of inquiry and has been a persistent concern for scholars of OR over many decades (Chesterton, Goodson, Rosenhead, & Thunhurst, 1975; Midgley & Ochoa-Arias, 2004; Rosenhead, 1986, 1992; Ackoff, 1974), Cook's assertion almost 40 years on is revisited. Indeed, many of the ideas and debates presented in the past still seem to chime today, and thus will form the basis of the current article.

In particular, this paper focuses on his notion of a social role for OR while acknowledging that the exogenous influences that shaped his thinking at the time are very different to the circumstances and influences today. In Cook's day, there were concerns about growth in the economy and a particular concern for the lack of professionalism and expertise both in the private and public sectors required to fuel the restructuring of the economy and society at the time (Cook, 1973). Today, there is also an unease around the pursuit of growth in the economy, but there are in addition

increasing concerns around globalised flows of trade, capital and people, technological innovation and climate change to name but a few significant issues (Stiglitz, 2012; Stiglitz, Sen, & Fitoussi, 2009).

In attempting to reflect on the growing concern about measuring the quality of life of citizens, Cook claimed that "social well-being" or social value appears to be the sort of concept or measure that Operational Researchers "might try to maximise as a social objective" (Cook, 1973: 654). Connected to this, he also claimed that, if more people can be involved in analysis and research associated with social decision-making, "the level of well-being might be increased by that activity itself in addition to any increase derived from the better decisions reached" (Cook, 1973: 656). While acknowledging that the concept of social value or well-being is difficult to define, he saw it as enabling an alternative approach to the customary economic appraisal of socially oriented programmes. As such, he called for an approach to capture social value that aligns the different perceptions of all of the stakeholders around the social intervention under investigation (Cook, 1973). This suggests that value for organisations delivering socially oriented programmes is concerned with the stakeholders' own internal, perceptual judgments of social value, rather than what the policymakers consider important (Cook, 1973). In other words, it is implied that social value can be defined if it corresponds to value viewed from the vantage point of some other or wider perspective, such as the community (Boyd et al., 2007; Friend & Hickling, 2005; Jones & Eden, 1981; Taket & White, 1997; Keisler, Turcotte, Drew, & Johnson, 2014; Midgley & Ochoa-Arias, 2004; Yuchtman & Seashore, 1967). While Cook's assertions have a contemporary feel (i.e., the concern for subjective as well as objective determinants of well-being), it is

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clear, however, that today, social value in OR has not been demarcated in a manner capable of achieving a common understanding of what it is (White, 2006).

To address this research gap, the current article brings together contemporary research on social well-being and impact to make a contribution to the literature on social value and Community OR. First, inspired by Cook's claim for a measure of social well-being (Cook, 1973), the article provides a brief review of the literature on social value. In doing so there is a departure from the prevailing view that draws on more traditional economic concepts, such as choice and desire fulfilment, that typically equates social value and well-being with either prosperity or utility (Sen, 1985). Instead, the article will build on Amartya Sen's work (1985, 1987), where it is argued that social well-being or value is best understood through the concept of beneficiaries'/communities' capabilities. Accordingly, the effectiveness of a social intervention is defined as the degree to which an organisation increases the beneficiaries'/communities' capabilities.

Second, it is found that in OR, more generally, the study of the processes by which one can measure the impact of interventions has been dominated by scholars of the expectancy theory approach (Bell, Raiffa, & Tversky, 1988), who have spent many decades debating the question of multiplicative versus additive value usage (see Belton & Stewart, 1999). Cook suggested a somewhat more integrative view and argued that methods for measuring social well-being or value should consider the complex relationships between interacting systems (Cook, 1973). Here, it is noted that there is a dearth of studies due to complex issues associated with modelling multiple interactions. The contribution is to address the problem of modelling complex relationships between organisational practices and social value and well-being by using a configurational-based strategy (Fiss, 2007). This modelling strategy is well suited to the current study because it employs a set-theoretic method, which enables an understanding of organisations "as clusters of interconnected structures and practices, rather than modular or loosely coupled entities whose components can be understood in isolation" (Fiss, 2007: 1190).

Third, an in-depth empirical setting is provided in order to develop the ideas on social value, capabilities and effectiveness. In doing so, the study will present findings from a research programme examining the social impact of organisations delivering socially oriented programmes, referred to here as social purpose organisations. From the research, a framework was developed to measure and communicate a broad concept of social well-being as capabilities generated by the activities of a social purpose organisation with their communities. The framework adds to the literature on assessing the impact of social purpose organisations by providing an empirical example of a novel approach with which to contextualize the evaluation of social interventions.

This study begins with an explanation of an understanding of social purpose organisations and social value in the context of social intervention and socially oriented OR (or Community OR). The requirements of a framework is formulated incorporating a capability approach and a configurational perspective for appraising social purpose organisations that serve the different needs of their beneficiaries in complex social contexts. The article provides an empirical setting for describing the framework. The contributions and outline theoretical and empirical implications of the proposed framework are then discussed. Finally, the benefits and limitations of the research will be reviewed, including comments on further possible developments of Community OR.

## 2. Community or and social purpose organisations

A direct consequence of Cook's plea for OR to re-examine its social role is the appearance of a set of initiatives under the la-

bel 'Community OR' (Bowen et al., 1984; Jackson, 1987; Rosenhead, 1986). While Community OR is varied and wide ranging, it is unified by a concern for working with *alternative or non-traditional clients* (Ackoff, 1970; Cook, 1973; Jackson, 1991; Rosenhead, 1986; Bajgier, Maragah, Saccucci, Verzilli, & Prybutok, 1991). However, what counts as an alternative client is somewhat varied among the researchers in this field. More often than not, the basis for a definition is on an organisational form (Cook, 1973; Rosenhead, 1989); that is, the preference is for not-for-profit or community organisations, instead of public or private ones. Nowadays, this position is seen as unhelpful in a world where organisations are more hybrid and where many different types of organisations are operating in the same sector (Battilana & Dorado, 2010). Instead, a different conception is needed. As such, the organisations of interest for this article are labelled as 'social purpose organisations', in that they operate in an environment where the market and/or government has failed with regards to the production of public goods (Le Grand, 1997; Weisbord, 1975), and they attempt to alleviate complex societal problems (De Tombe, 2001; Liebl, 2002).

Essentially, it is believed that these organisations have a better understanding of the needs of those they are trying to assist and hence they have a greater capacity to deliver high-quality services than purely government or market providers (Neville, 2009). This may be through providing a solution to a social concern that is more effective and efficient, and possibly sustainable than existing solutions or the absence of the intervention (Anheier & Seibel, 1990; Midgley & Ochoa-Arias, 2004; White & Taket, 1997). Such organizations often depend on material and voluntary support from several sources, including governmental institutions, businesses, and the public – sources that increasingly challenge the social purpose organisations with high expectations and demands regarding transparency and accountability (Anheier & Seibel, 1990; Polonsky & Grau, 2008, 2011).

The importance of appraising the *impact* of social purpose organisations is now particularly high on the agenda for governments looking to support them, either through promotion or funding (Krisic, Hill, Hanson, & Soudée, 2014). At the same time, organisations whose remit is to alleviate social problems, and therefore have a social purpose, are under considerable pressure to demonstrate the impact of the work they do (Emerson, 2003). These organisations face the dual objective of attempting to maximise their impact, while at the same time assessing their performance relative to their funders, organisational peers and clients (or users). The neglect of any or all of these objectives could lead to catastrophic consequences, as in the recent high profile reported case in the UK of the failure of *Kids Company* (Public Administration and Constitutional Affairs Committee, 2016). But scholars consider it difficult to evaluate social purpose organisations and their activities, and current approaches cannot properly appraise effectiveness (Austin et al., 2006). There is still a lack of a useable framework by which to tackle the vexing question surrounding whether and when it is plausible to infer that a given intervention is likely to result in the creation of social value. The literature highlights that, in order to appraise the effectiveness of social purpose organisations, there is a need for a measure of social value, defined as *that which accrues primarily to society as a whole* (Poister, 2003). This issue is explored below.

## 3. Difficulties in defining social value and well-being

Scholars have repeatedly tried to define the kind of social value generated by social purpose organisations. In fact, the wider literature has viewed social value as far too complex to boil down to a single concept, no matter how it is defined (Polonsky & Grau, 2008, 2011). Indeed, there is a lack of consistency among definitions of social value: quite often definitions are so broad as to contain al-

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