One Approach to Social Accounting for Social Enterprises

Evergreen: James Cha, Seana Irvine, Geoff Cape
SEC: Laurie Mook, Natalie Ambler, Joanna Ranieri
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Introduction

- Although numerous socially minded organizations operate worldwide, conventional accounting statements fall short in demonstrating social and environmental value. In alignment with this view, there is a call for a more imaginative social accounting.

- Evergreen, a national nonprofit organization founded in 1991, and the Social Economy Centre of the University of Toronto, have partnered to develop a social accounting model that integrates economic, social and environmental information to drive behaviour towards sustainability.
Framework

- **Mainstream accounting:** value added
- **Critical accounting:** accounting models are socially constructed and drive behaviour
- **Sustainability:** guides choice of variables
- **Integrated social accounting:** integrates economic, social and environmental

(Mook, 2007)
Project Methodology

This project employs a participatory, reflective research approach

**Current Work**
(February – April)

- Literature review consisting of:
  - Prior experiments
  - Approaches
  - Related institutional items
  - Social accounting reports
  - Evergreen reports and documents
- Current Evergreen data sources identified
- Introductory meetings with key Evergreen staff
- Identification of key questions
- Monthly / bi-monthly meetings
  - Sharing findings
  - Reflection
  - Planning
- Using online technology (Wiki) to capture, share and organize project work

**Future work**
(May – August)

- Coordination with Evergreen strategy planning team
- Data collection / stakeholder consultations (coordinated with strategy planning team)
  - Focus groups
  - Interviews
  - Surveys
- Criteria and selection of key indicators
- Market comparison of indicators
- Operationalize social accounting model
- Feedback and review process
- Community presentations
- Fact sheet / online report
- Article in academic journal; case study
- Conference presentations

Southern Ontario Social Economy Community-University Research Alliance
## Findings So Far

### Literature Review
- Participatory / action research methodology can be effective yet what happens beyond helicopter approach?
- Support of senior management is key
- Organizational change factor needs to be addressed
- The process may be more important than the numbers generated
- There may be a temptation to measure what is measurable, rather than what’s important
- Accounting is not neutral; it can drive behaviours

### Evergreen
- Increasing awareness for professionalism and transparency
- Data availability driving current measurements
- Current data collection is not synchronized and opportunity exists to enhance strategic plan, reporting, and fundraising
- Important to capture ‘learnings along the way’ / process

### ‘Pilot’ Focus
- Focus on ‘employees’ as subset of overall project to find emerging indicators and explain their importance
- Easy topic to relate to and useful work-life balance literature
- Allows for awareness and introduction of project to Evergreen staff
- Beneficial to have a focus area as an example in order to explain the overall objectives and value of the project
- Next area of focus will be on the value of volunteers
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Thank you!

Laurie Mook, University of Toronto
Lmook@oise.utoronto.ca

http://socialeconomy.utoronto.ca