**Managing and measuring social impact through Integrated Thinking and Reporting: The case of a European university**

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**Abstract**

Contemporary organizations face the critical need to identify valuable accounting and reporting practices that represent and communicate their impacts on the environment and on society. However, no widely accepted scientific approach to impact measurement exists, and the relationship between organizational impacts and the resources (capitals) used throughout the value creation process is unclear. This chapter illustrates the design of an impact assessment tool in a public organization. The chapter draws upon the experience of a European university to show the potential of combining Integrated Thinking and Reporting with two widely used impact assessment tools (the Social Return on Investment and the Total Impact Measurement Model) to better understand and assess organizations’ impacts according to the different capitals exploited to create value for stakeholders.

**Introduction**

Contemporary organizations face the critical need to identify valuable accounting and reporting practices that represent and communicate their impacts on the environment and the society, thus supporting a comprehensive decision-making process for sustainable value creation. Despite the increase in the number of accounting and reporting practices that attempt to model organizations’ value creation process (Adams, 2015; 2017; Churet and Eccles, 2015; Adams and Simnett, 2011; Deloitte, 2016; Eccles and Krzus, 2014; 2010; PwC, 2018), no widely accepted scientific approach to impact measurement exists. On one hand, this is due to the lack of a shared definition of ‘social impact’ (Maas and Liket, 2011; Vanclay et al., 2015). On the other, the concept of value creation is still strictly related to the increase, decrease or transformations of the resources (inputs) used by the organization’s business activities to generate outputs, thus overlooking the impacts generated by them (Maas and Liket, 2011). As a consequence, current reporting approaches are mainly focused on communicating to stakeholders how organizations create value, instead of measuring and representing the impact generated.

Recent accounting studies have emphasized the role of Integrated Thinking and Reporting (IT&R) in re-determining how organizations conceive and create value, moving towards the integration of social, human, environmental and economic dimensions, instead of considering them separately (Adams, 2015; Busco et al., 2013; 2018; de Villiers et al., 2014; Eccles and Krzus, 2014; Eccles and Spiesshofer, 2015; Simnett and Huggins, 2015; Terblanche and de Villiers, 2019). In particular, these studies argue that IT&R enable organizations to overcome a ‘silo’ approach by fostering interactions among departments and top managers to identify the main capitals that affect organizations’ value creation.

In this context, public organizations are facing increasing external pressures to review their business models and become more “business-like” entities. However, considering the primary objective of most public organizations - to deliver services to the public, rather than make profits and generate a return on equity for investors - their performance can only be partially evaluated by examining their financial position. Therefore, public organizations need to develop robust decision-making mechanisms to understand the trade-off between the limited resources available and their intended and unintended impacts on the community.

As civic-oriented organizations, universities are primarily asked to educate and prepare current and future generations of employees, leaders and citizens who may contribute positively to societal challenges. To this end, universities are expected to define and measure their impacts on the society, ensuring that the activities pursued are sustainable and viable in the short, medium and long term (BUFDG, 2016; 2017; Adams, 2018). For these reasons, universities, as public institutions, represent an interesting case for the purpose of this chapter.

By drawing on the experience of a European university named Athena (this is a pseudonym for confidentiality), this chapter aims to illustrate and discuss the design of an impact assessment tool in a public organization. In particular, we show the potential of combining IT&R with two widely used impact assessment tools (the Social Return on Investment – SROI, and the Total Impact Measurement Model – TIMM) (Maas and Liket, 2011; Millar and Hall, 2013; WBCSD, 2019) to better understand and assess organizations’ impacts according to the different capitals exploited throughout the value creation process.

The chapter is structured as follows. The next section reviews the literature on social impact and its relation with the emerging IT&R approach. The following section illustrates the issues public organizations, and particularly universities, face when measuring their impacts. Thereafter, we discuss the experience of Athena, which has recently designed an impact assessment tool, and the final section summarizes and concludes our chapter.

**Social impact, integrated thinking and reporting**

Social impact has been defined as “something that is experienced or felt in either a perceptual (cognitive) or a corporeal (bodily, physical) sense, at any level, for example at the level of an individual person, an economic unit (family/household), a social group (circle of friends), a workplace (a company or government agency), or by community/society generally” (Vanclay et al., 2015 p. 2). As ‘social impact’ basically refers to anything linked to stakeholders’ perceptions, almost anything can potentially have a social impact as long as it is valued by a specific group of stakeholders (Vanclay et al*.*, 2015; Maas and Liket, 2011).

Given the ambiguity of the notion of social impact, measuring it remains a challenge for organizations. As argued by Maas and Liket (2011), social impact is difficult to quantify because of its qualitative nature. Further, organizations can have a positive or negative impact on society along several dimensions (environmental, economic and social), which makes it hard to attach an objective value to the impact.

The first attempt to measure organizations’ social impact arose in the 1970s alongside economic and environmental impact assessment. Traditionally, the three impact assessments have been used separately, emphasizing economic returns over the social and environmental dimensions, thus affecting the ways in which companies see their value creation process.

Organizations often find difficulties in determining the cause-effect relationships between their core business activities, the outputs produced, and the impacts these generate on society. These difficulties derive from the definition of value creation, which has barely changed since the days of Luca Pacioli. In fact, value creation is often perceived as strictly related to the increase or decrease in resources (i.e. inputs) used by organizations through their core business activities and production of outputs (Maas and Liket, 2011; Kolodinsky et al., 2006). While outputs are related to organizations and represent what they can measure or assess directly, impacts refer to the portion of the total outcome that results from organizations’ activities, above and beyond what would have happened anyway (Clark et al. 2004, p. 7). It is important to consider intended as well as unintended, negative as well as positive, and both long term and short-term effects. Ideally, evaluation of the impact should inform strategic planning, thus rendering the assessment process recursive (See Figure 17.1).

Figure 17.1: Impact Value chain (Clark et al. 2004, p.7)

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However, organizations still have difficulty integrating impacts in their strategic planning. This may be due to the lack of suitable accounting and reporting systems to support strategy execution and fully reflect the extensive variety of ‘capitals’ that are used and affected by organizations’ value creation processes (de Villiers et al., 2014; Dumay et al., 2016; Gray, 2010; Owen, 2013). The evolving regulation on corporate disclosure (see, for example, European directive 2014/95), as well as stakeholders’ growing information requirements (Adams and Narayanan, 2007; Bebbington et al., 2008; Yongvanich and Guthrie, 2006), have led organizations to move to a more encompassing and integrated approach to value creation. Corporate reports such as CSR reports and sustainability reports have been used to inform stakeholders how organizations align their strategies and business models with market opportunities and sustainable performance.

Positioned at the centre of this debate, Integrated Reporting (IR) has rapidly gained considerable prominence as one of the main management and accounting innovations of the last decade (de Villiers et al., 2014; Eccles and Krzus, 2014; Busco et al., 2018). IR requires a continuous interaction between an organization’s departments and top managers to determine how value is created and what drivers affect stakeholders’ perception of organizational initiatives and activities. As mentioned by the International Integrated Reporting Framework (International Integrated Reporting Council, 2013), organizations depend on six different types of capitals, which are stores of value that, in one form or another, become inputs to an organization’s business model. In particular, the capitals identified by the International Integrated Reporting Council (IIRC) are: financial, manufactured, intellectual, human, social and relationship, and natural capital.

The multi-capital approach has been also embraced in the literature on social impact (Vanclay et al. 2015), according to which all community resources or assets can be represented as a set of capitals that needs to be considered while assessing overall community wellbeing. In order to evaluate the impact organizations have on their stakeholders and society, the environment and the economy in general, both the IR and social impact literature suggests all these capitals should be considered in a holistic manner. In particular, IR relies on integrated thinking as an approach that encourages organizations to actively reconsider the relationships between the capitals that they use and affect, and their various operating and functional units (IIRC, 2013). Integrated thinking involves identifying, executing, and monitoring business decisions and strategies for long term value creation (Busco et al. 2018; Dumay and Day, 2017; Guthrie et al., 2017). This approach enables mediation across a number of trade-offs, such as:

* The way in which different forms of capital impact the value creation process;
* Environmental, social and governance (ESG) performance with financial and economic results;
* Lagging and leading measures of performance;
* Different types of reports (e.g., financial, social and environmental reports) and overcoming the logic of ‘siloed’ communication;
* Short-term and long-term objectives;
* The multiple needs of a variety of stakeholders;
* The analysis of the multiple organizational functions and expertise that contribute to the value creation process;
* The value creation for the business (which concerns shareholders, employees and investors) and for other stakeholders.

Thus, IT&R guidelines help organizations to determine what capitals affect and are affected by their value creation process, and help them assess their impact on society. The next section focuses on how public organizations, particularly universities, attempt to assess their social impacts.

**Universities and social impact**

Measuring the social and economic impact of public services has gained momentum in the last decade, as public organizations are required to increase their quality of service while respecting governments’ cost-cutting requirements. Around one third of global gross domestic product (GDP) comes from the public sector, comprising investment in infrastructure, educational opportunities and health care (IIRC, 2016). Due to time and resource constraints, public sector organizations need ways of broadening the conversation about the services they deliver and the impact they generate in meeting short- and long-term demands. However, there is a lack of agreement about what is to be measured, and how to measure the impact of public services. Considering the active contribution of public organizations in improving local services within the community, their performance cannot be evaluated only by examining financial ratios and cash flows (IIRC, 2016). Although there are areas, such as health care, where non-financial measurement systems are universally used to assess social well-being, there is still variation in the types of measures applied within public organizations. The reasons behind this “lack of agreement” lie in the long-term effects of public organizations’ initiatives, which often require complex sets of interventions and massive project financing decisions. These factors make any attempt to assess social impact time consuming, costly and complex to validate using an external auditor[[1]](#endnote-1).

As civic-oriented organizations, universities influence human impacts on society and the environment, as they conduct research in some of the most relevant disciplines such as medicine, geology, business, and law. Further, they work in collaboration with national and multinational organizations and engage with individuals and groups across society, while driving economic growth and improving the efficiency and effectiveness of their activities. Moreover, with teaching and research as their core activities, universities are fundamentally required to educate and prepare current and future generations of employees, leaders and citizens who may contribute positively to societal challenges (Adams, 2018; BUFDG, 2017).

Currently, universities are changing their traditional operations and acting as more business-like entities. For this reason, they are under scrutiny by stakeholder groups, particularly politicians, commentators, local municipalities, and citizens (BUFDG, 2016). Further, the increased number of digital educational institutions or alternative providers of higher education has made students more selective in their choice of where to study. The evolving competitiveness of the educational sector has greatly increased the pressure for universities to demonstrate the benefits that their activities create for the local community in which they operate (BUFDG, 2017).

To deal with these challenges, universities need to address two key priorities (Adams, 2018). On one hand, they need to be as transparent as possible when explaining to a variety of stakeholders their pricing decisions on courses and the use they make of students’ fees and other financial sources. On the other hand, universities also need to communicate how they transform the lives of individuals and local communities, and make a global impact (Adams, 2018). While universities are currently working towards the achievement of these priorities, their business models and accounting and reporting practices fail to capture their impact on the environment and on society as a whole. Conventional reporting only provides stakeholders with poor and disconnected information about how universities can manage the challenges ahead, deliver services and support communities.

Increasing numbers of universities are addressing these limitations by implementing IT&R (BUFDG, 2017). As highlighted by the IIRC, IR helps public entities to embed integrated thinking and encourage closer working relationships across departments by: stimulating a more cohesive approach to decision-making that focuses on value creation in the short, medium and long term; formulating integrated and robust strategies and objectives; providing better strategic perspectives and a wider view of risks and opportunities; deepening organizations’ understanding of their business processes; and making internal and external communication more connected (IIRC, 2016).

As emphasized by the Chair of the British Universities Finance Directors Group (BUFDG, 2016, p. 2):

“[the] Integrated Reporting framework offers an opportunity for universities to develop their annual reports from unremarkable repositories of financial information into engaging, enlightening, and even surprising tales of a university’s hopes, successes, failures, and values […] an Integrated Report can find an audience beyond just regulators or governors, and become a useful tool for a wider range of stakeholders to gain a deeper understanding of a university’s performance, plans, and prospects.”

The next section illustrates the case of a European university – named Athena, also referred to as ‘the University’– to explain how IT&R have contributed to the development of an innovative social impact assessment tool.

**The case of Athena**

Athena was founded in the sixteenth century and is one of the oldest universities in Europe. The University receives approximately 60,000 applications every year, making it one of the most popular universities in Europe in terms of volume of applications. In 2019, Athena was ranked as one of the top ten European universities by the US News’ Best Global Universities Ranking[[2]](#endnote-2), and among the top thirty universities in the world according to the Times Higher Education Ranking[[3]](#endnote-3).

Athena was also one of the first universities in Europe to adopt the IT&R approach. In 2018, the University was recognized as a benchmark for the public sector due to its experience in developing and publishing integrated reports. As emphasized in Athena’s integrated report 2017/2018, the multi-capital approach suggested by the IIRC helps to explain the impacts generated by the University (p.2):

“our value model explains how the University draws on multiple capitals and helps to demonstrate an overall net positive impact for the University, its specific stakeholders, society in general and the natural environment in which we operate. Our objective is to make the world a better place by delivering a positive impact through our graduates and our staff.”

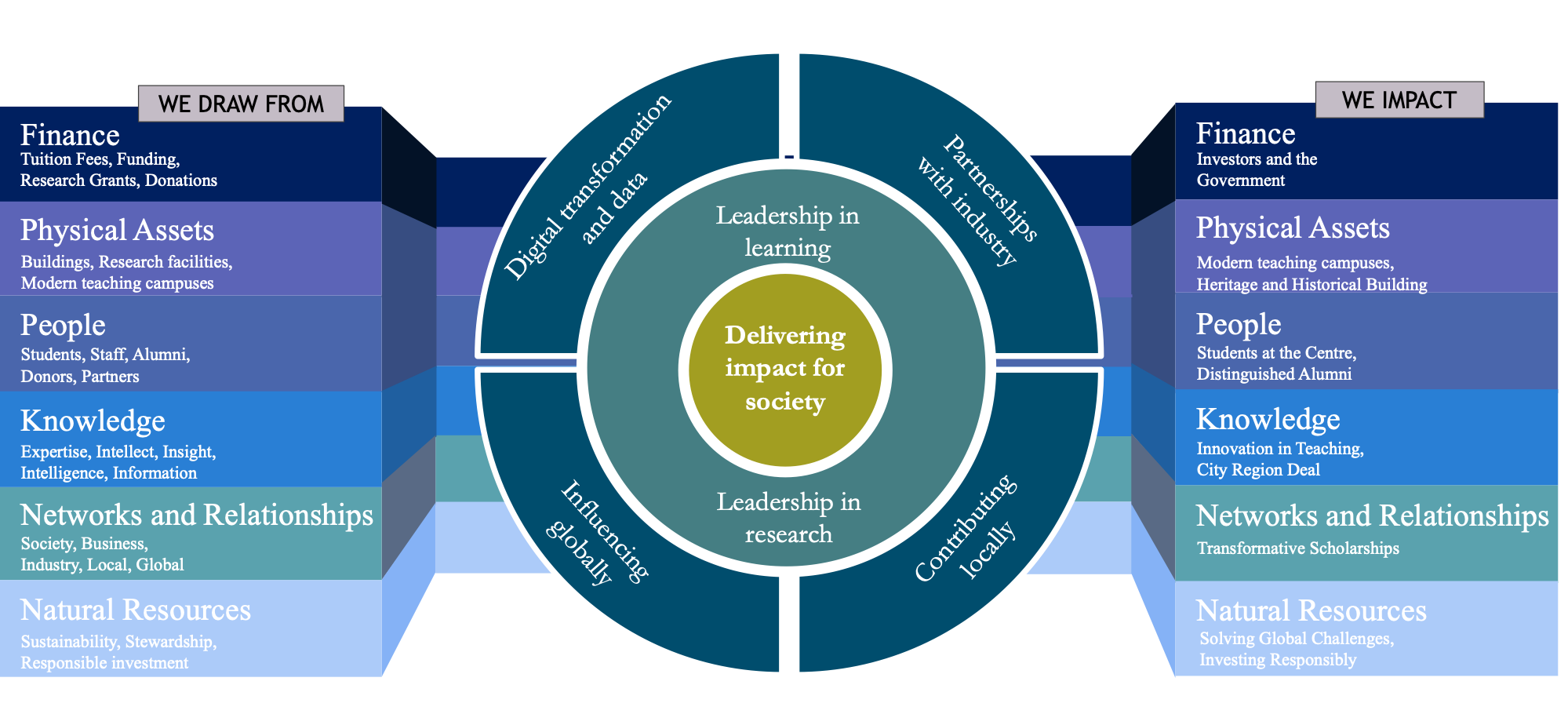
This statement is coherent with both the vision of the University, which is to ‘deliver impact for society’ and its mission, which aims (Athena’s integrated report 2017/2018, p. 9):

“to provide the highest quality research-led teaching and learning; challenge the boundaries of knowledge, research and disciplines; enable graduates and staff to be exceptional individuals equipped to address global challenges; promote good health, economic growth, cultural understanding and social wellbeing.”

To fulfil its vision and mission, Athena has set two specific strategic objectives: Leadership in learning, and Leadership in research. To be a leader in learning, the University aims to equip students with the knowledge, skills and experiences to be successful graduates who contribute to society. To be a leader in research, Athena commits to conducting research of the highest standard across a broad spectrum of disciplines. To offer an overview of the key areas related to the strategic objectives, Athena has identified four development themes, specifically: Influencing globally; Contributing locally; Partnerships with industry; and Digital transformation and data (See Figure 17.2).

To succeed as a leader in learning and teaching, the University considers all resources (financial and non-financial) that contribute to value creation, as well as the risks, opportunities and outcomes that could affect its ability to create value over time. The University’s Value Creation Model is a fundamental part of the 2017/2018 Integrated Annual Report. The Model shows how Athena uses its capitals to create and sustain value for stakeholders. The Value Creation Model illustrates the overall strategic objectives (Leadership in learning, and Leadership in research) of the University at its centre, surrounded by the four development themes (Influencing globally; Contributing locally; Partnerships with industry; Digital transformation and data). To achieve its mission Athena draws from and impacts on the following capitals: Finance; Physical Assets; People; Knowledge; Networks and Relationships; Natural Resources (See Figure 17.2).

Figure 17.2: Strategy and Value Model (adapted from Athena’s integrated report 2017/2018)



To measure its impact on the different capitals, in 2018 Athena has developed an assessment tool drawing on two of the most widely used impact measurement systems: the Social Return on Investment (SROI) and the Total Impact Measurement Model (TIMM). These methodologies provide a framework to better assess, both qualitatively and quantitatively, how organizations affect the community and the society in which they operate.

*The Social Return on Investment*

The SROI provides a framework to identify and measure how organizations affect society. It involves reviewing the inputs, outputs, outcomes and impacts made and experienced by stakeholders in relation to the activities of an organization (SROI Guidelines, 2012).

The SROI approach aims to assign a monetary value to the social, economic and environmental benefits and costs created by an organization. The impact estimation; i.e. the value created, relates to the investments made and is expressed as a ratio, which shows the organization’s impact on society as a portion of the investment made. For instance, an SROI ratio of 3:1 means that for every euro invested, the organization generates 3 euros of social value (SROI Guidelines, 2012).

To analyse organizations’ impact on society, the SROI approach involves six stages:

1. **Establishing scope and identifying key stakeholders.** This first stage sets the boundaries about what the SROI analysis will cover, who will be involved in the process and how. In order to establish the scope, the following questions may be useful: *What is the purpose of the SROI? Who is it for? What is the background? What resources do you have available? Who will undertake the SROI? What activities will you focus on? What period of delivery will your analysis cover? Is the analysis a forecast, a comparison against a forecast or an evaluation?* (SROI Guidelines, 2012, p. 20). Once the scope of the analysis is clear, the next step is to identify and involve stakeholders. To do so, organizations are required to list all stakeholders who might affect or be affected by the activities within the scope, whether the effect is positive or negative, intentional or unintentional. This emphasis on involving stakeholders is a distinctive feature of SROI. However, not all stakeholders are necessarily equally affected by organizations’ initiatives. For this reason, the SROI framework suggests that managers carefully classify the stakeholders impacted in terms of the main objectives of the investment made.
2. **Mapping inputs, outputs and outcomes:** This stage involves defining inputs, outputs and outcomes. In particular, the ‘map’ details the resources (inputs) used within organizations to deliver activities (measured as outputs) which result in outcomes for stakeholders. In mapping the *inputs* of a certain activity, organizations are required to provide financial values to the resources sacrificed for its achievement. On the contrary, *outputs* represent a quantitative summary of an activity. However, defining just inputs and outputs is not the main objective of SROI. As an outcomes-based measurement tool, SROI aims at monitoring the changes that are taking place for stakeholders.
3. **Evidencing outcomes and giving them a value.** The third stage involves developing outcome indicators to collect evidence on the outcomes that are occurring, and assessing their relative importance by valuing them.
4. **Establishing impact.** This section assesses whether the outcomes analysed result from organizations’ activities. In particular, this assessment estimates how much of the outcome would have happened anyway (i.e. regardless of the actions of the organization) and what proportion of the outcome can be determined to have been added by organizations’ activities (impact). Establishing impact is important as it reduces the risk of over-claiming and helps identify stakeholders that have not been considered during the determination of the scope of the analysis. To measure the impact, organizations have to deduct the outcomes that could have happened even if the activity had not taken place. These outcomes are generally called *deadweight* and are calculated as a percentage of the total quantity of the outcome initially evaluated.
5. **Calculating the SROI.** This stage summarizes the financial information recorded in the previous stages. In particular, it calculates the ratio between the financial value of the investment and the financial value of the social costs and benefits.
6. **Reporting, using and embedding.** This last step involves reporting to stakeholders, communicating, and embedding the SROI analysis within the organization’s decision-making process.

Table 17.1 summarizes the main benefits and criticisms of the SROI methodology.

Table 17.1**:** Benefits and Criticisms of the SROI model

|  |  |
| --- | --- |
| Benefits | Criticisms |
| * Promotes better communication and engagement between different stakeholders; * Provides a tool for impact evaluation; * Impact mapping is fundamental to align the vision with the organization’s resources and performance, and to improve the management of relationships and expectations between stakeholders; * Sustained improvement in the quality of data that can be used as evidence for impact assessment. | * The choice of indicators is underpinned by assumptions and preferences on how the impact can be achieved; * Little debate on which stakeholders are involved, whose voices are heard and who is marginalized; * The highlight of the relationships between inputs, outputs and outcome/impact is often a secondary element behind the strong emphasis on the overall SROI ratio; * Weak basis for understanding how and why impacts occur; * Focus on inputs and outputs without considering the initiatives; * Focus on collecting data on quantitative measures, which represents a risk of overlooking what actual activities are being carried out; * *Deadweight* is not clear and is determined on the base of assumptions; * Challenges in attributing monetary values to outcomes and impacts. These do not capture the social value in terms of improvement of personal utility (i.e. quality of life), as these values do not result in actual financial savings. |

*Total Impact Measurement Model (TIMM)*

The TIMM supports organizations in understanding and measuring how different activities contribute to the economy, the environment and society. It provides an assessment of how value is generated (or potentially destroyed) in both the short and long term, helping decision makers to consider and communicate the net impact of their actions, beyond financial results (PwC, 2013). In this regard, the TIMM is an impact assessment tool that enables managers to compare strategies and make business decisions, while evaluating the trade-offs between different options. In so doing, the TIMM aims to provide managers with comprehensive knowledge of the overall impact generated by their decisions and a better understanding of which stakeholders will be affected by them (PwC, 2013).

The TIMM, see Figure 17.3, can be represented as a ‘wheel’, showing the organization’s activities at its centre, surrounded by the stakeholders who are affected by its operations (the second circle). Each of the impacts is then represented around the outside of the ‘wheel’ (social, environmental, tax and economic). The four key dimensions of impact considered in the TIMM are:

* Social impact: it measures and values the consequences of business activities on societal outcomes such as health, education and community cohesion;
* Environmental impact: it measures emissions to air, land and water, and the use of natural resources;
* Tax impact: it identifies and measures a business’s overall tax contribution;
* Economic impact: it measures the effect of a business activity on the economy in a given area and changes in economic growth (output or value added) and associated changes in employment.

Figure 17.3: Total Impact Measurement Model (adapted from PwC, 2013, p. 17)



The TIMM is applied through a four-step process:

1. **Define the scope**: The first step is about defining the scope of the impacts (for example the timeframe, the geography, the areas of business and the relevant parts of the value chain) that need to be assessed to determine the right investment choices and demonstrate the value created for stakeholders;
2. **Determine the impact:**The second step maps the total impacts among each dimension, which means determining the social, economic, environmental and tax impacts, how they arise, what methodologies can and should be used to assess them and what data need to be collected;
3. **Collect and analyse data:** This stage requires the collection of a significant amount of information in areas such as employment, tax paid and resources used. Any necessary additional information can be sourced externally;
4. **Attribute a value:** The final stage quantifies outcomes and impacts, giving them a financial value and tracking them over time. This may require techniques such as economic and process modelling to estimate impacts and valuation techniques to monetize them.

Table 17.2 summarizes the main benefits and criticisms of the TIMM mode.

Table 17.2: Benefits and Criticisms of the TIMM model

|  |  |
| --- | --- |
| Benefits | Criticisms |
| * Promote better communication and engagement between different stakeholders; * Attempt to assess the cause–effect and trade-off relations between multiple variables; * Visualize negative and positive effects of certain performances for a single project; * Involve a multiple number of stakeholders in the evaluation of impact; * Focus on taxation; * Suitable for comparison (e.g. make or buy); * The impact evaluation system is closer to the idea of Integrated Reporting. | * Focus on effects more than quantitative impacts; * No tools available for the assessment of impact (i.e. impact mapping of SROI); * Focus on measuring the effects of implementing a single project rather than looking at the organization value chain; * Further improvements are needed to understand how and why impacts occur (focus on inputs and outputs not on initiatives). |

*The design of Athena’s impact assessment tool*

To develop its impact assessment tool, Athena integrated the SROI with the TIMM. The integration of the two tools was decided following analysis of their analogies with the IIRC Framework. In particular, four analogies were considered relevant: the focus on value creation, and on strategic development, materiality, and stakeholders’ relationships.

The new impact assessment tool has been designed using a recursive four-step process:

1. Determine the scope and strategic objectives;
2. Identify the key inputs (capitals), initiatives and outputs and collect data accordingly;
3. Identify the outcomes and measure them through adequate key performance indicators (KPIs);
4. Evaluate the impacts and review the strategic objectives.

The four stages described above were applied in a pilot analysis to assess the impacts generated by the University for the ‘Contributing locally’ development theme (see Figure 17.2).

Generally speaking, the development theme ‘Contributing locally’ refers to Athena’s commitment to making a positive impact in its local area and contributing directly to the health and wellbeing of the community through its training and research programmes. For instance, in 2017, the University launched an initiative to strengthen relationships with local communities, putting research and teaching at their service, and increasing access to its buildings and facilities. As a result, a growing number of students have been trained to work in the community and enhance digital literacy. Further, the University is currently supporting the establishment of a Centre for Homeless People in the local area, and a Student Employability Programme to generate a sustainable pipeline of talent, providing access to the right tools, and giving individuals the resources they need to excel.

Tables 3 and 4 show the design of the new impact assessment tool developed by Athena. In Table 17.3, the first three columns refer to the definition of the scope. At this stage, the tool requires the identification of the development theme selected for the analysis; in this case, ‘Contributing locally’, and the strategic aims associated with that development theme. In our example, this is ‘Improving the quality of University’s teaching by involving the community in it’. The third column identifies the six capitals potentially used to achieve the strategic objective.

In the second stage, the key inputs, initiatives and outputs are identified according to the different capitals. For instance, the key inputs related to the capital ‘Finance’ have been identified as the investments made by the University in social activities, and particularly the cost of organizing a number of events to involve the community in the University’s teaching (strategic aim). The columns ‘Initiatives’ and ‘Outputs’ respectively identify all the activities organized by the University and the corresponding income and associated in-kind community benefits generated (See Table 17.3).

Table 17.3:Stages one and two (Adapted from Athena’s impact assessment tool)

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Table 17.4 illustrates stages three and four of the impact assessment process. In particular, stage three identifies the potential outcomes generated by the University’s initiatives. Outcomes are assessed by collecting opinions and responses from all the stakeholders involved (e.g. students, families, universities and other public institutions, local authorities, voluntary groups) and then measured according to adequate key performance indicators per capital.

Stage four evaluates the impacts generated according to the four dimensions of the TIMM model (Economic, Social, Environmental and Tax) for each capital employed. Once the impact is assessed, the tool attempts to financially value it and assess the potential contribution of each capital employed and affected by the University’s initiatives in the achievement of the Sustainable Development Goals (SDGs) (See Table 17.4).

Table 17.4:Stages three and four (Adapted from Athena’s impact assessment tool)



The impact assessment tool described above is still in its early stages. In future years, Athena is planning to improve it by extending its analysis to all the other development themes. The result of the analysis will enable the University’s top management to reflect upon all the strategic initiatives that positively impact its stakeholders, society in general and the natural environment in which it operates.

**Conclusions**

By drawing on the experience of a European university, Athena, this chapter has illustrated the design of an impact assessment tool in a public organization. In particular, we have showed the potential of the integration of IT&R with SROI and TIMM to improve the assessment of organizations’ impacts.

As discussed in the previous sections, Athena developed a new impact assessment tool that helps to classify inputs and outputs according to the main initiatives, while showing their relationships with the different capitals involved. The tool also provides an overview of the various dimensions of impact in accordance with the TIMM model, thus improving the University’s performance measurement and reporting process. Also, the new tool contributes to creating engagement between different departments, thus improving data collection and fostering discussion and reflection upon those strategic initiatives that have a positive impact on society.

Being in its infancy, the tool requires significant commitment and a clear allocation of responsibility among the employees involved in its implementation. The University is also planning to involve a broader spectrum of stakeholders (for example through questionnaires, surveys, and focus groups) to improve the impact assessment process and better allocate the resources employed (capitals) in accordance with short-, medium- and long-term strategic objectives.

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